SAN FRANCISCO PUBLIC LIBRARY
3 1223 06446 5918

5/5

San Francisco Public Library

Government Information Center
San Francisco Public Library
100 Larkin Street, 5th Floor
San Francisco, CA 94102

REFERENCE BOOK

Not to be taken from the Library

Digitized by the Internet Archive
in 2013

http://archive.org/details/minutes262001sanf

City and County of San Francisco
Meeting Minutes
Finance Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Tuesday, June 26, 2001 **11:00 AM City Hall, Legislative Chamber, Second Floor**

Budget Review Hearings

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 11:17 a.m.

011130 **[Reserved Funds, Board of Supervisors]**

Hearing to consider release of reserved funds, Board of Supervisors (fiscal year 2000-01 budget), in the amount of $239,108 to provide necessary funds to pay for the department's official advertising through June 2001. (Clerk of the Board)

6/20/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gloria Young, Clerk of the Board. Release of reserved funds in the amount of $239,108 approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011043 **[Budget Hearing and Review, FY 2001-2002]**

Hearing to consider the Annual Budget for General Administration and Finance; Public Protection.

(General Administration and Finance: Administrative Services; Assessor/Recorder; Board of Supervisors; City Attorney; Controller; City Planning; Civil Service Commission; Ethics Commission; Human Resources; Mayor; Administrative Services-Office of Contract Administration; Elections; Retirement System; Treasurer/Tax Collector; General City Responsibility.)

(Public Protection: Adult Probation; Administrative Services-Consumer Assurance; Administrative Services-Animal Care and Control; Administrative Services-Medical Examiner;

6/4/01, RECEIVED AND ASSIGNED to Finance Committee. Scheduled for consideration on June 19, 2001 at 1:00 p.m.

6/19/01, CONTINUED. Heard in Committee. Speakers: Steve Kawa, Mayor's Office; Harvey Rose, Budget Analyst; Edward Harrington, Controller; Bill Lee, City Administrator; Theodore Lakey, Deputy City Attorney; Rex Tabora, City Administrator - Solid Waste Management Program; Doris Ward, Assessor-Recorder; Supervisor McGoldrick; Gloria Young, Clerk of the Board; Louise Renne, City Attorney; Kim Manolias, City Attorney's Office; Fred Brouseau, Budget Analyst's Office; Gerald Green, Director, Planning Department; Kate Favetti, Executive Officer, Civil Service Commission; Ginny Vida, Executive Director, Ethics Commission; Andrea Gourdine, Director, Department of Human Resources; Judith Blackwell, Director, Office of Contract Administration, Administrative Services; Clare Murphy, General Manager, Retirement System; Susan Leal, Treasurer; Michael Hennessey, Sheriff; Jean Mariani, Sheriff's Department; Paul Tabacco, Acting Chief, Fire Department; Christine Ragan, Fire Department; Ken Bruce, Budget Analyst's Office; Deputy Chief Bill Welch, Police Department, Administration Bureau; Captain John Goldberg, Police Department, Fiscal Division; Mary Dunlap, Director, Office of Citizen Complaints; Armando Cervantes, Chief Probation Officer, Adult Probation Department; David Frieders, Director of Consumer Assurance; Erin McGrath, Mayor's Budget Office; Dr. Boyd Stephens, Chief Medical Examiner; Gordon Park-Li, Chief Executive Officer, Superior Court; Terence Hallinan, District Attorney; Jesse Williams, Chief Probation Officer, Juvenile Probation Department; Kimiko Burton, Public Defender.
Continued to June 26, 2001.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ryan Brooks, Director of Administrative Services; Paul Horcher, Director, Solid Waste Management Program; Steve Kawa, Mayor's Office; Representative, Solid Waste Management Program; Edward Harrington, Controller; Ken Bruce, Budget Analyst's Office; Andrea Gourdine, Director, Department of Human Resources; Supervisor Daly; Doris Ward, Assessor-Recorder; John Farrell, Assessor's Office; Supervisor McGoldrick; Gloria Young, Clerk of the Board; Louise Renne, City Attorney; Kim Manolias, City Attorney's Office; Fred Brouseau, Budget Analyst's Office; Gerald Green, Director, Planning Department; Anita Sanchez, Civil Service Commission; Ginny Vida, Executive Director, Ethics Commission; Debra Newman, Budget Analyst's Office; Judith Blackwell, Director, Office of Contract Administration; Clare Murphy, General Manager, Retirement System; Susan Leal, Treasurer; Armando Cervantes, Chief Probation Officer, Adult Probation Department; David Frieders, Director of Consumer Assurance; Carl Friedman, Animal Care and Control; Dr. Boyd Stephens, Chief Medical Examiner; Judge Kevin McCarthy, Superior Court; Neil Tanaguch; Terence Hallinan, District Attorney; Teresa Serata, District Attorney's Office; Christine Ragan, Fire Department; Paul Tabacco, Acting Chief, Fire Department; Jesse Williams, Chief Probation Officer, Juvenile Probation Department; Kimiko Burton, Public Defender; Deputy Chief Bill Welch, Police Department, Administration Bureau; Captain John Goldberg, Police Department, Fiscal Division; Tom Strong, Police Department, Budget Office; Michael Hennessey, Sheriff; Theodore Lakey, Deputy City Attorney.
Meeting recessed to June 28, 2001, at 11:00 a.m.

MEETING RECESSED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting recessed at 6:54 p.m. to reconvene on June 28, 2001, at 11:00 a.m.

3 1223 06446 5918

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

F
90.25
7
6/26/01

DOCUMENTS DEPT.
JUN 26 2001
SAN FRANCISCO
PUBLIC LIBRARY

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 22, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2001-2002 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Finance Committee budget review.

Finance Committee Budget Review - June 26, 2001, 11:00 a.m.

Page

General Administration and Finance

ADM Administrative Services 1
ASR Assessor/Recorder 10
BOS Board of Supervisors 15
CAT City Attorney 25
CON Controller 33
CPC City Planning 37
CSC Civil Service Commission 45
ETH Ethics Commission 49
HRD Human Resources 53

Page

MYR Mayor 61
OCA Administrative Services – Office of Contract Administration 69
REG Elections 74
RET Retirement System 82
TTX Treasurer/Tax Collector 89
GEN General City Responsibility 94

Public Protection

ADP Adult Probation 98
AGW Administrative Services – Consumer Assurance 101
ANC Administrative Services – Animal Care and Control 106
CME Administrative Services – Medical Examiner 109
CRT Trial Courts 114
DAT District Attorney 121
FIR Fire 125
JUV Juvenile Probation 132
PDR Public Defender 136
POL Police 140
SHF Sheriff 147

Harvey M. Rose

Harvey M. Rose

cc: Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
President Ammiano
Supervisor Daly
Supervisor Hall
Supervisor Maxwell
Supervisor McGoldrick
Supervisor Newsom
Supervisor Sandoval
Supervisor Yee
Clerk of the Board
Controller
Steve Kawa

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: ADM – ADMINISTRATIVE SERVICES

FINANCIAL DATA:

The Department of Administrative Services proposed $94,963,705 budget for FY 2001-02 is $48,375,749 or 103.84 percent more than the original FY 2000-01 budget of $46,587,956. The net increase from the revised FY 2000-01 budget is $ 44,608,598 or 88.59 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
1660 MISSION STREET BUILDING	$ 1,957,413	$ 1,957,413	$ 2,313,813	$ 356,400.0
25 VAN NESS BUILDING	2,404,190	2,404,190	2,404,190	-
30 VAN NESS BUILDING	-	-	6,128,893	6,128,893
555 SEVENTH STREET BUILDING	834,774	834,774	960,000	125,226
CENTRAL SHOPS	16,097,727	16,152,657	16,916,096	818,369
CITY ADMINISTRATOR SUPPORT	345,021	345,021	336,550	(8,471)
COUNTY CLERK SERVICES	618,098	618,098	608,066	(10,032)
DISABILITY ACCESS	24,029	77,029	24,029	-
MANAGEMENT/ADMINISTRATION	2,324,455	2,419,902	2,302,015	(22,440)
MOSCONE EXPANSION PROJECT	-	-	-	-
REAL ESTATE WORK ORDERS	4,578,495	7,770,169	6,526,641	1,948,146
REAL ESTATE-GENERAL FUND	355,053	355,053	355,554	501
REPRODUCTION SERVICES	5,401,318	5,578,355	5,499,038	97,720
RISK MANAGEMENT / GENERAL	5,185,700	5,185,700	6,553,820	1,368,120
SOLID WASTE MANAGEMENT	4,111,683	4,342,746	5,000,000	888,317
Total Operating Expenditures	$ 44,237,956	$ 48,041,107	$ 55,928,705	$ 11,690,749
Capital Improvements & Fac. Maint.	$ 2,350,000	$ 2,314,000	$ 39,035,000	$ 36,685,000
Total Expenditures	$ 46,587,956	$ 50,355,107	$ 94,963,705	$ 48,375,749
Less: Work Order Recoveries	(30,785,040)	(34,346,128)	(35,480,395)	(4,695,355)
Net Expenditure	$ 15,802,916	$ 16,008,979	$ 59,483,310	$ 43,680,394

Department: ADM ADMINISTRATIVE SERVICES (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 226.26 FTEs, which is 6.91 FTEs more than the 219.35 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CENTRAL SHOPS	110.89	110.89	112.03	1.14
CITY ADMINISTRATOR SUPPORT	3.75	3.75	4.00	0.25
COUNTY CLERK SERVICES	7.80	7.80	7.80	-
MANAGEMENT/ADMINISTRATION	22.70	22.70	23.21	0.51
REAL ESTATE WORK ORDERS	25.39	25.39	25.74	0.35
REPRODUCTION SERVICES	24.44	24.44	26.11	1.67
RISK MANAGEMENT / GENERAL	3.21	3.21	6.21	3.00
SOLID WASTE MANAGEMENT	21.17	21.17	21.16	(0.01)
Totals	219.35	219.35	226.26	6.91

Department: ADM ADMINISTRATIVE SERVICES (continued)

The Department has requested the following Special Assistant positions be reclassified:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.00	1365	Special Assistant VI	$48,729	1369	Special Assistant X	$65,615
Exempt	1.00	1366	Special Assistant	52,435	1426	Senior Clerk Typist	45,431
Exempt	1.00	1367	Special Assistant VIII	56,402	1220	Payroll Clerk	50,941
Exempt	1.00	1368	Special Assistant IX	60,709	1369	Special Assistant X	65,615
Exempt	1.00	1370	Special Assistant XI	70,627	1369	Special Assistant X	65,615
Exempt	1.00	1370	Special Assistant XI	70,627	1371	Special Assistant XII	75,951
Exempt	4.00	1372	Special Assistant XIII	322,284	0922	Manager V	335,124
Exempt	1.00	1373	Special Assistant XIV	86,652	1367	Special Assistant VIII	56,402
Exempt	3.00	1373	Special Assistant XIV	259,956	0923	Manager VI	270,315
Exempt	1.00	1373	Special Assistant XIV	86,652	0923	Manager VI	86,652
Exempt	1.00	1374	Special Assistant XV	93,281	0931	Manager VII	96,998
Exempt	1.00	1375	Special Assistant XVI	100,328	0932	Manager VIII	104,326
Exempt	1.00	1375	Special Assistant XIV	100,328	0932	Manager VIII	100,328
Exempt	1.00	1376	Special Assistant XVII	107,976	0941	Manager X	120,746
Exempt	1.00	1376	Special Assistant XVII	107,976	0933	Manager IX	107,976
Exempt	1.00	1377	Special Assistant XVIII	116,119	0941	Manager X	120,746
Totals	21.00			$1,741,081			$1,768,781

The above conversion list includes the conversion of four Solid Waste Management Program special assistant positions to civil service classifications: (a) one 1366 Special Assistant VII to a 1426 Senior Clerk Typist, (b) one 1372 Special Assistant XIII to a 0922 Manager V, (c) one 1373 Special Assistant XIV to a 0923 Manager VI, and (d) one 1377 Special Assistant XVIII to a 0941 Manager X. In addition, Mr. Bill Lee, the City Administrator, has submitted to the Department of Human Resources a list of a seven 1370 Special Assistant XI positions and one 1369 Special Assistant X position in the Solid Waste Management Program as additional candidates for conversion to civil service classifications during FY 2001-02. If these eight special assistant positions are converted to civil service classifications, then a total of 12 special assistant positions in the Solid Waste Management Program would be converted in FY 2001-02. Mr. Ara Minasian of ADM states that the Department of Administrative Services is working actively with the Department of Human Resources to determine if there are appropriate existing civil service classifications for these staff, or if new classifications need to be created.

Department: ADM ADMINISTRATIVE SERVICES (continued)

Remaining Special Assistant Positions

Exempt/ Provisional	Count	Class	Title	Salary	Filled/Vacant
Exempt	4.00	1365	Special Assistant VI	$194,916	Filled
Exempt	1.00	1365	Special Assistant VI	48,729	Vacant
Exempt	3.00	1367	Special Assistant VIII	169,206	Filled
Exempt	12.75	1370	Special Assistant XI	900,488	Filled
Exempt	1.50	1371	Special Assistant XII	113,927	Filled
Totals	22.25			$1,427,266	

DEPARTMENT REVENUES

Department revenues have increased by $44,582,085 or 459.14 percent and General Fund support has decreased by $923,442 or 18.80 percent.

DESCRIPTION

In FY 2001-02, the Department's proposed budget increase is $48,375,749. This increase is comprised primarily of the following changes:

1. $531,515 for permanent salary costs related to new positions, upward substitutions, and annualization of new positions approved for partial year funding in FY 2000-01, plus $185,025 more for mandatory fringe benefits costs. Key personnel changes include:
   (a) The proposed addition of 1.50 FTE new 1220 Clerks in Reproduction Services, to reduce Reproduction Services' current overexpenditure on temporary salaries and overtime.
   (b) The proposed addition of the following new Risk Management Program positions: a 0.75 FTE 1370 Special Assistant XI, 1.50 FTE 1371 Special Assistant XIIs, and a 0.75 FTE 1446 Secretary II. These positions would increase oversight of the City's Loss Prevention Program and Claims Program. All these new positions would be funded by work order recoveries from the departments which purchase insurance.
   (c) The reclassification of 21.00 FTE special assistant positions to other classifications.
2. $18,238 for travel, training, and membership fees.
3. $862,321 for building and equipment maintenance services as required by tenant City departments.
4. $21,644 for buildings leased by the Department.
5. $3,172,094 for other current expenses.
6. $1,163,450 for grant programs administered by the Solid Waste Management Program.

Department: ADM ADMINISTRATIVE SERVICES (continued)

7. $934,298 for materials and supplies.
8. $932,018 for other fixed charges.
9. $36,685,000 in Certification of Participation proceeds for the purchase of the 30 Van Ness Avenue building, plus $4,095,000 for related debt service payments.

COMMENT

The Mayor's budget provides an increase of $48,375,749. Our recommended reductions, which total $312,967, would still allow an increase of $48,062,782 or 103.2% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		BAI Solid Waste Management						
2818	001	Permanent Salaries - Misc.				$407,492	$355,196	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2850	001	Special Assistant X	1369 S	1.00	0.00	65,615	0	$65,61
2850	001	Special Assistant VI	1365 S	0.00	1.00	0	48,729	(48,72
		Although DHR has approved this substitution, disapprove due to inadequate justification.						
2850	001	Special Assistant X	1369 S	1.00	0.00	65,615	0	65,61
2850	001	Special Assistant IX	1368 S	0.00	1.00	0	60,709	(60,70
		Although DHR has approved this substitution, disapprove due to inadequate justification.						
2850	001	Special Assistant X	1369 S	1.00	0.75	65,615	49,211	16,40
2850	001	Special Assistant VIII	1367 S	1.00	0.75	56,402	42,302	14,10
		Reduce to reflect the projected hire dates of October 1, 2001.						
2818	013	Mandatory Fringe Benefits				107,774	97,061	10,71
		Corresponds to reductions in Permanent Salaries.						
2820	030	Rents and Leases				388,260	235,824	152,4
		Adjust to reflect actual rental expenditure.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ADM - Administrative Services

			Position/ Equipment	Number		Amount		
Page No.	Object		Number	From	To	From	To	Savings
2820	040	Materials and Supplies				$194,560	$128,472	$66,088
		Our recommended amount would still permit the Department to maintain its existing materials and supplies expenditure, adjusted for cost of living.						

FCB Reproduction Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2833	001	Permanent Salaries - Misc.				1,092,094	1,083,640	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2857	001	Attrition Savings - Misc.	9993M	(1.14)	(1.34)	(49,190)	(57,644)	8,454
		Attrition Savings - Misc. has been increased by $8,454 to offset the effect of the Department's upward substitution of a 1760 Offset Machine Operator position to a 1408 Principal Clerk, which would result in increased salary and fringe benefits costs during the past year without the approval of the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefits costs, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2833	013	Mandatory Fringe Benefits				318,567	316,154	2,413
		Corresponds to reductions in Permanent Salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FCT Risk Management/General								
2835	001	Permanent Salaries - Misc.				$451,750	$438,980	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2858	001	Attrition Savings - Misc.		0.00	(0.17)	0	(12,770)	$12,770
		Increase attrition savings by $12,770 to offset the effect of the Department's upward substitution of a 1.00 FTE 1376 Special Assistant XVII position to a 1.00 FTE 0941 Manager X position, which has resulted in increased salary and fringe benefit costs during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2835	013	Mandatory Fringe Benefits				104,382	101,492	2,890
		Corresponds to the increase in Attrition Savings.						
FDA Central Shops								
2838	060	Equipment Purchase				207,500	204,269	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
2869	060	Portable Lifts				42,000	40,508	1,49
2869	060	Hydraulic Press				15,000	13,261	1,73
		Reduce to actual cost.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FDN Real Estate Work Orders								
2842	001	Permanent Salaries - Misc.				$1,814,812	$1,813,454	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2862	001	Attrition Savings - Misc.	9993M	(0.26)	(0.28)	(18,000)	(19,358)	$1,358
		Increase attrition savings by $1,358 to offset the effect of the Department's upward substitution of a 1.00 FTE 4140 Real Property Officer position to a 1.00 FTE 1823 Senior Administrative Analyst position, which has resulted in increased salary and fringe benefit costs during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2842	013	Mandatory Fringe Benefits				426,436	426,118	318
		Corresponds to reductions in Permanent Salaries.						
		Total Recommended Reductions						$312,967

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: ASR ASSESSOR / RECORDER

FINANCIAL DATA:

The Assessor/Recorder proposed $11,605,469 budget for FY 2001-02 is $269,732 or 2.27 percent less than the original FY 2000-01 budget of $11,875,201. The net decrease from the revised FY 2000-01 budget is $741,325 or 6 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
PERSONAL PROPERTY	$ 2,217,145	$ 2,142,827	$ 2,179,033	$ (38,112)
REAL PROPERTY	3,073,189	2,978,137	3,020,587	(52,602)
RECORDER	2,009,051	2,009,051	2,008,099	(952)
TAX ASSESSMENT	3,191,846	3,990,896	3,095,369	(96,477)
TECHNICAL SERVICES	1,383,970	1,225,883	1,302,381	(81,589)
Total Expenditures	$ 11,875,201	$ 12,346,794	$ 11,605,469	$ (269,732)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 138.9 FTEs, which is 6.41 FTEs more than the 132.49 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ASR ASSESSOR / RECORDER (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
PERSONAL PROPERTY	27.90	27.90	28.11	0.21
REAL PROPERTY	40.53	40.53	40.53	-
RECORDER	24.08	24.08	27.08	3.00
TAX ASSESSMENT	21.84	21.84	21.85	0.01
TECHNICAL SERVICES	18.14	19.73	21.33	3.19
Totals	132.49	134.08	138.90	6.41

DEPARTMENT REVENUES

Department revenues have decreased by $42,646 or 1.28 percent and General Fund support has increased by $227,086 or 2.7 percent.

DESCRIPTION

The decrease in the Assessor/Recorder's budget from FY 2000-2001 original budget is $269,732. Major expenditure changes in the proposed budget are summarized below:

- An increase of $150,000 in Temporary Salaries – Misc.;
- An increase of $317,940 in Permanent Salaries – Misc. of which $163,285 is funded with on-going State Authorized Special Revenue Funds;
- A net decrease of $126,739 in Professional & Specialized Services from: (a) decrease of $170,612 for the Recorder's Page Modernization Project; (b) an increase of $6,505 for the Recorder's Indexing Project; and, (c) an increase of $37,368 for the Tax Assessment's Property Tax System Project;
- A decrease of $400,000 for the Tax Assessment's Efficient Assessment Project resulting from the termination of the Assessor/Recorder's contract with KPMG for the Efficient Assessment Project;
- A decrease of $100,000 due to the Viacom Litigation settlement; and,

Department: ASR ASSESSOR / RECORDER **(continued)**

- A net decrease of $126,260 for Services of Other Departments.

Personnel: The number of full-time equivalent positions budgeted for FY 2001-02 is 138.9 FTEs, which is 6.41 FTEs more than the 132.49 FTEs in the original FY 2000-01 budget. The increase of 6.41 FTE positions are due to: (a) an increase of 3.19 FTEs Temporary Employees for Technical Services, which were approved in a supplemental appropriation ordinance for the remainder of FY 2000-01 at 1.59 FTEs; (b) an increase of 3.0 FTEs 8108 Senior Legal Process Clerks, which are State-funded, for the Recorder's Page Recorder Modernization project; and, (c) a decrease of 0.22 FTEs in Attrition Savings. The substitution of the 1372 Special Assistant XIII for a 0922 Manager V is part of the MEA Management Classification/Compensation Plan as shown in the table below.

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1372	Special Assistant XIII	$ 83,781	0922	Manager V	$ 83,781
Totals	1			$ 83,781			$ 83,781

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ASR - Assessor/Recorder

Assessor/Recorder - Recorder (FCG)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2876	027	Professional & Specialized Services				$ 106,505	$ 98,031	$ 8,474

The Department has not adequately justified the increase in Professional & Specialized Services. The recommended reduction of $8,474 is based on projected expenditures for FY 2000-01 of $94,261 plus a 4 percent cost of living adjustment.

Assessor/Recorder - Real Property (FDJ)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2880	001	Permanent Salaries - Misc.				2,356,175	2,238,882	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific reductions regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2888		Real Property Appraiser	4261	14.00	12.00	821,054	703,761	117,293

2.0 FTE 4261 Real Property Appraisers have been vacant since July 20, 1998, or approximately 2 years and 11 months and February 8, 1999, or approximately 2 years and 4 months. The Department indicates that they need the 2.0 FTE Real Property Appraisers because they (a) have 10,000 permits outstanding for real property appraisals of new construction; and (b) anticipate a rise in assessment appeals due to a slowdown in the economy. Additionally, the Department states that when 4261 Real Property Appraiser positions became vacant after the subject 2.0 FTE positions became vacant, the most recent vacancies were filled instead of the subject two vacancies, therefore, on the whole, the Department has really only had a vacancy of 2.0 FTE 4261 Real Property Appraiser positions for approximately 10 months. The Budget Analyst notes that (a) the Department used the funds from the 2 vacant positions for other uses, including hiring Temporary Assessment Clerks to help eliminate the change in ownership backlog; (b) the Department used existing Real Property Appraisers to help eliminate the change in ownership backlog; and (c) the reduction of 2.0 FTEs would still leave the Department with 12.0 FTE "A" existing 4261 Real Property Appraisers as well as 5.0 FTE "L" Limited Life 4261 Real Property Appraisers, for a total of 17.0 FTE 4261 Real Property Appraisers to process the 10,000 outstanding real property new construction permits and handle real property assessment appeals. Therefore, the Budget Analyst still recommends the reduction of 2.0 FTE 4261 Real Property Appraisers.

Department: ASR - Assessor/Recorder

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2880	013	Mandatory Fringe Benefits Corresponds to the reduction in salaries.				598,512	569,463	29,049
		Total Recommended Reductions						$ 154,816

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: BOS BOARD OF SUPERVISORS

FINANCIAL DATA:

The Board of Supervisors proposed $8,566,789 budget for FY 2001-02 is $238,005 or 2.7 percent less than the original FY 2000-01 budget of $8,804,794. The net decrease from the revised FY 2000-01 budget is $992,255 or 10.38 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
BOARD OF SUPERVISORS	$ 8,421,826	$ 8,434,117	$ 8,159,090	$ (262,736)
CHILDREN'S BASELINE	225,841	225,841	228,102	2,261
LOCAL AGENCY FORMATION	-	754,250	-	-
SUNSHINE ORDINANCE TASK FORCE	157,127	144,836	179,597	22,470
Total Expenditures	$ 8,804,794	$ 9,559,044	$ 8,566,789	$ (238,005)
Less: Work Order Recoveries	(53,136)	(53,136)	-	53,136
Net Expenditures	$ 8,751,658	$ 9,505,908	$ 8,566,789	$ (184,869)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 66.18 FTEs, which is 10.40 FTEs less than the 76.58 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: BOS BOARD OF SUPERVISORS (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
BOARD OF SUPERVISORS	71.69	71.69	61.04	(10.65)
CHILDREN'S BASELINE	3.47	3.47	3.47	-
LOCAL AGENCY FORMATION	-	1.48	-	-
SUNSHINE ORDINANCE TASK FORCE	1.42	1.42	1.67	0.25
Totals	76.58	78.06	66.18	(10.40)

SPECIAL ASSISTANT POSITIONS:

*Remaining Special Assistant Positions**

Program	Count	Class	Title	Total Salary	Filled/ Vacant
Board of Supervisors	1	1363	Special Assistant IV	$42,334	Filled
	2	1367	Special Assistant VIII	112,804	Filled
	1	1371	Special Assistant XII	75,951	Filled
	1	1372	Special Assistant XIII	80,571	Filled
	1	1374	Special Assistant XV	93,281	Filled
	1	1376	Special Assistant XVII	107,976	Filled
Sunshine Task Force	1	1370	Special Assistant XI	70,627	Filled
Children's Baseline	2	1362	Special Assistant III	78,822	Filled
Totals	10			$662,366	

** All Board of Supervisors Special Assistant positions are exempt.*

Note: There are also 22 Legislative Assistant 1835 positions, which are exempt positions, budgeted at $1,322,383

Department: BOS BOARD OF SUPERVISORS (continued)

DEPARTMENT REVENUES

Department revenues have decreased by $70,000 or 46.67 percent and General Fund support has decreased by $114,869 or 1.3 percent. The reduction in Department revenues is primarily a result of an anticipated decline in the filing and hearing fees for the Assessment Appeals Board.

DESCRIPTION

The reduction in the Board of Supervisors FY 2001-02 budget primarily results from staffing changes, including the (1) deletion of 11.0 FTE 1363 Special Assistant V positions, which were the third Aides for each member of the Board, (2) deletion of one 0.50 1363 Special Assistant IV position, because of the reduction in the appeals workload for the Assessment Appeals Board, (3) addition of one 1022 Administrator II position from a temporary grant funded position and (4) annualization of one 1372 Special Assistant XIII position and one 1376 Special Assistant XVII position, which were added as new positions at 0.75 FTE each in FY 2000-01. As noted above, there are ten Special Assistant positions that would continue in the Board of Supervisors budget in FY 2001-02, and all such positions are exempt.

The proposed budget also increases the Legislative Expense funds available for each member of the Board of Supervisor from $5,000 to $7,500, resulting in an overall increase of $27,500 from $55,000 to $82,500. The Budget Analyst considers approval of this funding increase to be a policy matter for the Board of Supervisors. In addition, the proposed budget provides new maintenance for the Board of Supervisors Chamber seats and benches ($22,000), upgrades to allow copier scanning features ($5,000) and an additional $155,440 for increased official advertising expenses. In accordance with Section 4 of the Budget Analyst Joint Venture Agreement with the Board of Supervisors, the Controller will adjust the Professional & Specialized Services account to reflect a 5.2 percent increase or $97,568 for FY 2001-02 for the Joint Venture's contractually determined cost of living adjustment.

The Children's Baseline expenditures reflect the costs incurred for the City's Youth Commission, which is included in the Board of Supervisors budget.

The Local Agency Formation Committee (LAFCo) revised budget of $754,250 was funded as a project in FY 2000-01. Approximately $5,000 of these LAFCo funds have been expended in FY 2000-01. Although the proposed FY 2001-02 budget does not include additional LAFCo funding, the Controller's Office advises that the LAFCo balance of $749,250 ($754,250 less $5,000 expended in FY 2000-01) will be carried forward for use in FY 2001-02.

The proposed FY 2001-02 budget includes an additional $375,000 Unappropriated Revenue Board District Services Reserve, which is not reflected in the proposed Board of Supervisors total budget of $8,566,789. These funds are being separately set aside for the Board of Supervisors to develop

Department: BOS BOARD OF SUPERVISORS (continued)

and staff a new Office of District Community Services during FY 2001-02. The Budget Analyst considers approval of such funds to be a policy matter for the Board of Supervisors.

File 01-1130

The Clerk of the Board of Supervisors has requested a release of $239,108 of reserved funds from permanent salaries to pay for additional official advertising costs through June 30, 2001. The Department's FY 2000-01 budget includes $445,000 for official advertising. An analysis of the total projected advertising expenses for FY 2000-01 indicates that the Department will actually incur total advertising costs of approximately $870,000, which is $425,000 or 95.5 percent more than budgeted. The Department advises that the additional costs result from (1) increased number of advertisements due to an increase in the number of hearings and meetings, (2) elimination of abbreviations, causing longer and more expensive advertisements, and (3) approximately $61,000 of job announcement advertisements over the past year.

In April of 2001, the Department received a surplus transfer of $185,000 ($150,000 from surplus salaries and $35,000 from surplus fringe benefits) to their advertising budget, for a total $630,000 advertising budget, in order to pay their additional advertising expenses. However, the Department is now requesting an additional $239,108 be released from reserve in order to pay the balance of costs, as summarized below:

Original Budget	$445,000
Transferred Funds	185,000
Subtotal Available Funds	$630,000
Actual Projected Expenditures	$870,000
Subtotal Available Funds	630,000
Additional Funds Needed	$240,000
Requested Release of Reserves	239,108

Therefore, the Budget Analyst recommends approval of release of the requested $239,108 of reserved funds to cover their additional advertising expenses.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: BOS - Board of Supervisors

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
FAE		Board of Supervisors						
2896	001	Permanent Salaries - Misc.				$3,499,297	$3,313,247	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
2901		Board/Commission Member, Group	0115			195,200	156,000	$39,200
		This recommendation corrects for a calculation error in the proposed budget for the Assessment Appeals Board.						

Department: BOS - Board of Supervisors

Page No.	Object	Position/ Equipment Number	Number		Amount		Savin
			From	To	From	To	
2901	Administrator II	1022C	1.00	1.00	59,221	0	59,221

Approval of this temporary, two-year, grant-funded position to a permanent, General Fund position after one year is a policy matter for the Board of Supervisors. The requested position is currently funded with grant funds provided by the Assessor's Office to the Assessment Appeals Board. This position was initially hired in FY 2000-01 as a two-year, grant-funded temporary position. The proposed FY 2001-02 budget includes this position as a continuing, General Fund position. This position provides computer maintenance and upgrades for the various Board of Supervisors offices.

A Management Audit of the Board of Supervisors conducted in 2000 by an outside consulting firm recommended the creation of additional support positions for the Clerk of the Board. In response to the Audit's recommendations, in FY 2000-01, the Board of Supervisors created two new positions, one 1372 Special Assistant XIII, and one 1376 Special Assistant XVII and created the subject temporary position with grant funds. The Clerk of the Board advises that the 1372 Special Assistant XIII position is responsible for developing policies and procedures for the Department's records and information, including records retention and destruction schedules.

In addition to the requested 1022 Administrator II position, the proposed FY 2001-02 budget includes another existing 1022 Administrator II position and one existing 1023 Administrator III position. It should be noted that based on a review of other City departments of comparable and even larger size (i.e., Assessor's Office, Administrative Services, Retirement, Tax Collector and Health Service System) such departments have fewer 1022 Administrator II and 1023 Administrator III computer maintenance and support positions. In fact, a comparison of every other department in the City revealed that the only other City department, besides the Board of Supervisors, with a higher percentage of 1022 Administrator II and 1023 Administrator III positions, relative to the total number of positions in the Department is the Department of Telecommunications and Information Services (DTIS).

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: BOS - Board of Supervisors

age No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
02		Attrition Savings - Misc.	9993M			(163,367)	(250,996)	87,629
		Increase Attrition Savings to reflect current projected FY 2000-01 expenditure rates. However, to be conservative, we have provided 50 percent more funds than we estimate will be needed. FY 2000-01 projected surplus salaries are $414,364. Reducing the projected surplus salaries by $239,107 for the six-month cost for the 11 1364 Special Assistant V (third Aide) positions, which have been deleted from the budget, the projected salary surplus would be $175,257 for FY 2000-01. However, our recommendation is to delete only 50 percent of this surplus, or $87,629. FY 1999-00 actual surplus salaries were $387,239 and it is projected that there will be $414,364 in surplus salaries as of June 30, 2001 (FY 2000-01).						
2896	013	Mandatory Fringe Benefits				862,075	825,846	36,229
		Corresponds to the increase in Attrition Savings - Misc.						
896	027	Professional and Specialized Services				2,315,902	2,311,227	4,675
		Reduce to reflect the actual cost for the new maintenance of Board of Supervisors benches and chairs for extensive restoration every six months and touch-up every 90 days, instead of the proposed extensive restoration every three months and touch-up every 30 days.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number		Amount		Savin
				From	To	From	To	
2896	035	Other Current Expenses				$763,900	$763,900	-

The Budget Analyst considers approval of an additional $27,500 ($2,500 for each Supervisor) for Legislative Expenses, resulting in total Legislative Expense of $82,500 for the Board of Supervisors, to be a policy matter for the Board. These funds are used to pay for miscellaneous expenses incurred by each Supervisor. The budget for FY 2000-01 allocates $5,000 per Supervisor, for a total of $55,000 ($5,000 x 11). The proposed increase would raise each Supervisor's expense fund by $2,500 to $7,500, for a total of $82,500 ($7,500 x 11). Current year expenditures are projected to total $42,000, or $13,000 less than the $55,000 ($5,000 per Supervisor) currently budgeted. The prior four years' actual expenditures for all 11 Supervisors are as follows:

FY 1996-97	$29,991
FY 1997-98	$32,277
FY 1998-99	$37,920
FY 1999-00	$34,509

Unappropriated Revenue - Designated Reserves

Page No.	Object		Position/ Equipment Number	Number		Amount		Savin
				From	To	From	To	
		Board District Services Reserve				$375,000	$375,000	-

The Budget Analyst considers approval of the proposed $375,000 Unappropriated Revenue - Board District Services Reserve to be a policy matter for the Board of Supervisors. These funds are being set aside in the proposed FY 2001-02 budget under the General City Responsibilities from Reserve Funds. Such funds would be available for developing and staffing a new Office of District Community Services within the Board of Supervisors budget. Actual expenditure of these funds would require separate approval of a supplemental appropriation in FY 2001-02 by the Board of Supervisors.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
TAK		**Sunshine Ordinance Task Force**						
2898	005	Temporary Salaries				$31,242	$16,200	$15,042
		Reduce to reflect the actual expenditure rate for FY 2000-01, adjusted to allow for 100% increased staffing. The proposed reduction provides for $8,100 of additional Temporary Salary funds than are projected to be expended in FY 2000-01.						
2898	035	Other Current Expenses				9,000	1,000	8,000
		Reduce to reflect that the FY 2000-01 budget of $9,000 was for start-up costs for the Sunshine Ordinance Task Force, which will be in its second year for FY 2001-02. For FY 2000-01, no expenses have been made in this Other Current Expenses account.						
2898	049	Other Materials & Supplies				42,000	10,000	32,000
		Reduce to reflect that the FY 2000-01 budget was for start-up costs for the Sunshine Ordinance Task Force, including office furniture and equipment. The Sunshine Ordinance Task Force is staffed with one permanent and one part-time temporary employee. In FY 2000-01, projected expenditures will total approximately $40,000, primarily for one-time start-up costs, including furniture, computer, printer, fax and other equipment. The requested funds for additional computers, printer, two televisions, a video cassette recorder, tape recorder and other furnishings, and $28,000 for paper and general office supplies for one permanent and one part-time temporary employee appear to be overbudgeted. The recommended $10,000 should provide more than sufficient funds for all cablecasting of Sunshine Ordinance Task Force Meetings, necessary office supplies, and miscellaneous additional equipment.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FAL		Youth Commission						
2899	005	Temporary Salaries - Misc.				$21,970	$10,000	$11,970
		Reduce to reflect that actual projected expenditures for FY 2000-01 are approximately $1,000. The recommended amount of $10,000 will provide ten times the actual expenditures incurred during the current year for Temporary Salaries.						
2899	027	Professional and Specialized Services				5,000	2,400	2,600
		Reduce to reflect that projected expenditures for FY 2000-01 are $1,200. Our proposed reduction of $2,600 will still provide for $2,400 for Professional and Specialized Services, which is $1,200, or 100 percent, more than has been spent in the current fiscal year.						
		Total Recommended Reductions						$296,56

DEPARTMENT: CAT CITY ATTORNEY

FINANCIAL DATA:

The City Attorney's proposed $43,021,335 budget for FY 2001-02 is $3,095,662 or 7.75 percent more than the original FY 2000-01 budget of $39,925,673. The net increase from the revised FY 2000-01 budget is $2,427,662 or 5.98 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
CITY ATTORNEY LEGAL INITIATIVES	$ -	$ -	$ 950,000	$ 950,000
CLAIMS	4,063,853	4,063,853	4,198,875	135,022
LEGAL SERVICE	35,861,820	36,381,820	37,872,460	2,010,640
Total Operating Expenditures	$ 39,925,673	$ 40,445,673	$ 43,021,335	$ 3,095,662
Capital Improvements & Fac. Maint.	$ -	$ 148,000	$ -	$ -
Total Expenditures	$ 39,925,673	$ 40,593,673	$ 43,021,335	$ 3,095,662
Less: Work Order Recoveries	(32,906,341)	(33,574,341)	(35,150,363)	(2,244,022)
Net Expenditures	$ 7,019,332	$ 7,019,332	$ 7,870,972	$ 851,640

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 330.42 FTEs, which is 3.57 FTEs less than the 333.99 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: CAT CITY ATTORNEY (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CLAIMS	48.09	48.09	48.60	0.51
LEGAL SERVICE	285.90	285.90	281.82	(4.08)
Totals	333.99	333.99	330.42	(3.57)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1366	S.A. VII	$52,435	1241	Personnel Analyst	$59,143
Exempt	2	1366	S.A. VII	52,435	1842	Management Assistant	59,260
Totals	3			$157,305			$177,663

Remaining Special Assistant Positions

Exempt/ Provisional	Count	Class	Title	Salary	Filled/Vacant
Exempt	2	1366	S.A. VII	$52,435	Filled
Totals	2			$104,870	

For FY 2001-02 the City Attorney is proposing reclassifying 3.0 1366 Special Assistant VII positions to become one 1241 Personnel Analyst and two 1842 Management Assistants at an increased cost of $23,416 for salaries and benefits. The City Attorney currently has no plans to transition the remaining 2.0 1366 Special Assistant VII positions to civil service classifications.

Department: CAT CITY ATTORNEY (continued)

DEPARTMENT REVENUES

Department revenues are budgeted to be $950,000 for FY 2001-02, an increase from the $0 budgeted for FY 2000-01. General Fund support has increased by $851,640 or 12.10 percent. Interdepartmental recoveries will increase by approximately $6 million for FY 2001-02.

DESCRIPTION

Major changes in the FY 2001-02 proposed budget include: (1) an increase of $946,853 in salaries and benefits which is mainly due to step increases, various upward substitutions, and MOU-related increases; (2) an increase of $933,617 for rent; and (3) an increase of $950,000 for legal initiatives. Legal initiatives are funded for only six months, from July 1, 2001 to December 31, 2001, pending election of a new City Attorney in November 2001. The proposed budget also includes a net increase of $600,000 for continuation of the Business Tax Litigation.

COMMENT

The Mayor's budget provides an increase of $3,095,662. Our recommended reductions, which total $952,280, would still allow an increase of $2,143,382 or 5.37 percent in the Department's budget.

Department: CAT - City Attorney

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
FA2								
2909	001	Permanent Salaries - Misc.				$3,393,836	$3,357,661	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2914		Claims Investigator	8151	0.50	0.00	36,175	0	36,175
		Disapprove a new 0.50 8151 Claims Investigator. The Department currently has a total of 29.60 FTE 8151 Claims Investigators including 4.39 FTE positions vacant and has not adequately justified the need for the proposed 0.50 new FTE. The Department should fill its 4.39 vacant FTEs prior to requesting new positions.						
FC2								
2910	001	Permanent Salaries - Misc.				24,164,430	24,010,531	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding						
2915		Engineer-Principal	1044S	1.00	0.00	94,639	0	94,639
		Disapprove 1.0 FTE 1044 Engineer Principal. This new Engineer-Principal position's responsibilities would include assisting in the management of the Department's Information Systems. The Department presently has seven positions assigned to Information Systems.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CAT - City Attorney

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2916		Management Assistant	1842S	2.00	1.00	$118,520	$59,260	$59,260
		Disapprove 1.0 FTE 1842 Management Assistant. The Department is requesting two new 1842 Management Assistant positions to perform office management duties. The Department has not adequately justified the need for 2 Management Assistants. The Budget Analyst is, however, recommending approval of one of the requested new Management Assistants.						
910	013	Mandatory Fringe Benefits				5,484,737	5,450,189	34,548
		Corresponds to the reduction in Permanent Salaries - Misc.						
910	030	Rents & Leases-Bldgs & Structures				1,966,736	1,911,235	55,501
		Reduce Rents & Leases to $1,911,235 to reflect actual cost of lease for the Department's Fox Plaza offices.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CAT - City Attorney

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2911	035	Other Current Expenses				$600,000	$544,800	$55,200

Reduce $55,200 of the $162,000 the City Attorney has proposed for the use of Outside Counsel for Business Tax Litigation for FY 2001-02. Our recommendation would replace the requested amount of $162,000 for 648 hours at an average hourly rate of $250 for Outside Counsel with 600 hours of in-house staff hours, at an hourly rate of $158 for a total of $94,800 and 48 hours of Outside Counsel, at an hourly rate of $250, for a total of $12,000. The 648 hours would therefore have a total cost of $106,800, compared to the budgeted amount of $162,000, for a total savings of $55,200. The City Attorney should be able to perform much of the work of the Business Tax Litigation on an in-house basis.

Department: CAT - City Attorney

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2910	053	Judgements & Claims				$2,626,207	$2,626,207*	$0

*The Budget Analyst considers any potential additional reductions for Outside Counsel costs included in the City Attorney's FY 2001-02 budget to be a policy matter for the Board of Supervisors. From July 1, 2000 to March 31, 2001 the City Attorney has expended a total of $2,137,395 for Outside Counsel. At an estimated average hourly rate of $250 per hour, this amount would cover approximately 8,550 hours of Outside Counsel. The City Attorney's expenditures for Outside Counsel for the first three quarters of FY 2000-01 include $92,760 for approximately 371 hours for General Fund services not billed to specific departments and $2,044,635 for approximately 8,179 hours for services billed to other City departments.

The City Attorney's Office has an estimated average cost of $62 per hour for attorney salaries and benefits. However, for services billed to other department budgets, the average hourly charge for attorneys in the City Attorney's Office is approximately $158 because it includes attorney salaries and benefits and indirect costs such as services and supplies and support staff. If in-house staff were used instead of Outside Counsel for the 8,179 hours billed to other departments, costs could be lowered from $2,044,635 charged at an average hourly rate of $250 to $1,292,282 for the same hours of service at the City Attorney's average billing rate of $158, resulting in savings of $752,353. If in-house staff were used instead of outside counsel for the 371 hours of General Fund services not billed to specific departments, costs could be further reduced by an estimated $69,748 based on the difference between the $92,750 cost for Outside Counsel at an average hourly rate of $250 compared to $23,002 for the same number of hours at $62 per hour.

The Budget Analyst notes that the use of Outside Counsel is necessary in some cases for specialized expertise in certain areas of law and to meet legal requirements for activities such as Bond Issuances.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CAT - City Attorney

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2910	053	Judgements & Claims				$2,626,207	$2,009,250	$616,957
		The $616,957 amount recommended for reduction was budgeted in Judgements & Claims in FY 2000-01 for Business Tax Litigation. Costs for Business Tax Litigation have been moved this year to a separate budget program but Judgements & Claims has not been correspondingly reduced and the Department has not presented a specific plan indicating how this money remaining in Judgements & Claims would be spent in FY 2001-02.						
		Total Recommended Reductions						$952,280

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: CON - CONTROLLER

FINANCIAL DATA:

The Controller's proposed $22,527,516 budget for FY 2001-02 is $49,556 or .22 percent less than the original FY 2000-01 budget of $22,577,072. The net decrease from the revised FY 2000-01 budget is $49,556 or .22 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ACCOUNTING OPERATIONS AND SYSTEMS	$ 10,102,206	$ 10,102,206	$ 10,110,152	$ 7,946
AUDITS	2,365,549	2,365,549	2,376,226	10,677
MANAGEMENT, BUDGET AND ANALYSIS	4,184,564	4,184,564	4,348,757	164,193
PAYROLL AND PERSONNEL SERVICES	5,924,753	5,924,753	5,692,381	(232,372)
Total Expenditures	$ 22,577,072	$ 22,577,072	$ 22,527,516	$ (49,556)
Less: Work Order Recoveries	(1,967,520)	(1,967,520)	(2,017,061)	(49,541)
Net Expenditures	$ 20,609,552	$ 20,609,552	$ 20,510,455	$ (99,097)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 156.88 FTEs, which is 8.02 FTEs less than the 164.9 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: CON - CONTROLLER (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ACCOUNTING OPERATIONS AND SYSTEMS	54.38	53.37	51.49	(2.89)
AUDITS	26.35	25.73	25.78	(0.57)
MANAGEMENT, BUDGET AND ANALYSIS	36.07	35.41	37.12	1.05
PAYROLL AND PERSONNEL SERVICES	48.10	44.90	42.49	(5.61)
Totals	164.90	159.41	156.88	(8.02)

Special Assistant Positions Recommended for Reclassification

The following Special Assistant positions are recommended as reclassifications in the Controller's FY 2001-02 budget.

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	1	1368	Special Asst IX	$ 60,709	AC34	Project Analyst	$ 68,2
Exempt	2	1369	Special Asst X	131,231	AC34	Project Analyst	136,4
Exempt	1	1369	Special Asst X	65,615	0922	Manager V	83,7
Exempt	3	1372	Special Asst XIII	241,712	0922	Manager V	251,3
Exempt	2	1374	Special Asst XV	186,562	0931	Manager VII	193,9
Totals	9			$ 685,829			$ 733,8

DEPARTMENT REVENUES

Department revenues have decreased by $55,000 or 13.29 percent and General Fund support has decreased by $44,097 or .20 percent.

Department: CON - CONTROLLER (continued)

DESCRIPTION

1. Major changes in the Controller's proposed budget for FY 2001-02 include the following

- $341,604 in increased Permanent Salaries and Mandatory Fringe Benefits;
- $95,000 for increased training expenditures; and,
- $479,660 in net reduced expenditures for Professional and Specialized services.

2. With the approval of the Special Assistant reclassifications shown in the table on the previous page, the Controller's budget has no remaining Special Assistant positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

Department: CON - Controller

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savi
	FEB	Management, Budget and Analysis Program						
2926	001	Permanent Salaries - Miscellaneous * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$2,198,616	$2,111,507	*
2932	STEP M	Step Adjustments, Miscellaneous Reduce salaries to reflect positions filled at less than the top step.				(52,249)	(59,358)	7
2933	9993 M	Attrition Savings Increase attrition savings based on current spending levels and schedule for filling vacant positions.				(142,619)	(223,119)	80,
2926	013	Mandatory Fringe Benefits Corresponds to reduction in Permanent Salaries - Miscellaneous				505,771	486,612	19,5
		Total Recommended Reductions						$ 106,6

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

DEPARTMENT: CPC CITY PLANNING

FINANCIAL DATA:

The City Planning Department's proposed $14,468,265 budget for FY 2001-02 is $648,485 or 4.69 percent more than the original FY 2000-01 budget of $13,819,780. The net increase from the revised FY 2000-01 budget is $748,907 or 5.46 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION/PLANNING	$ 2,208,618	$ 2,203,513	$ 2,810,702	$ 602,084
CURRENT PLANNING	6,626,189	6,631,294	7,662,129	1,035,940
LONG RANGE PLANNING	3,942,806	3,842,384	3,995,434	52,628
Total Operating Expenditures	$ 12,777,613	$ 12,677,191	$ 14,468,265	$ 1,690,652
Capital Improvements & Fac. Maint.	$ 1,042,167	$ 1,042,167	$ -	$ (1,042,167)
Total Expenditures	$ 13,819,780	$ 13,719,358	$ 14,468,265	$ 648,485
Less: Work Order Recoveries	(764,374)	(764,374)	(784,194)	(19,820)
Net Expenditures	$ 13,055,406	$ 12,954,984	$ 13,684,071	$ 628,665

Department: CPC CITY PLANNING (continued)

Major expenditure changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Permanent Salaries	$7,938,890	$8,865,148	$926,258
Temporary Salaries	70,000	41,088	(28,912)
Mandatory Fringe Benefits	1,931,257	2,150,852	219,595
Professional & Specialized Services	1,210,300	1,251,300	41,000
Rents and Leases -- Buildings	134,358	167,700	33,342
Other Current Expenses	501,748	553,214	51,466
Equipment Purchase	90,000	530,000	440,000
Buildings, Structures & Improvements	1,042,167	0	(1,042,167)
Services of Other Departments	524,645	539,356	14,711
Miscellaneous Other Changes	(387,959)	(414,587)	(26,628)
Total	**$13,055,406**	**$13,684,071**	**$628,665**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 136.23 FTEs, which is 7.77 FTEs more than the 128.46 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION/PLANNING	15.56	15.56	21.07	5.51
CURRENT PLANNING	84.24	84.24	89.76	5.52
LONG RANGE PLANNING	28.66	28.66	25.40	(3.26)
Totals	128.46	128.46	136.23	7.77

The Planning Department's budget contains nine new permanent positions (7.75 FTE) for FY 2001-02. The Board of Supervisors already approved three (3.0 FTE) of the nine requested positions as exceptions to the FY 2001-02 Interim Annual Appropriation Ordinance. Of the remaining six positions,

Department: CPC CITY PLANNING (continued)

the Budget Analyst is recommending approval of five new positions (3.75 FTE) and disapproval of one requested position (1.0 FTE). The Planning Department has one 1375 Special Assistant XVI, which is being reclassified to a Manager VIII, as follows.

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.0	1375	Special Assistant XVI	$100,328	0932	Manager VIII	$104,326

DEPARTMENT REVENUE

The Planning Department's revenues have increased by $2,262,755, or 25.5 percent, from $8,878,592 in FY 2000-01 to $11,141,347 in FY 2001-02. General Fund support has decreased by $1,634,090, or 39.1 percent, from $4,176,814 in FY 2000-01 to $2,542,724 in FY 2001-02. The increased Department revenue results primarily from Planning Commission Fees, including the Downtown Control Exception Fee, the Environmental Review Fee and the Annual Limit Competition Fee.

DESCRIPTION

1. The Planning Department's budget includes four (3.0 FTE) new permanent 5291 Planner III positions to serve as a new Planning Code enforcement team. Mr. Costolino Hogan of the Planning Department advises that the Department currently records any complaints about possible Planning Code violations it receives, but that the Department did not investigate such complaints due to insufficient staffing levels until April of 2001, when existing positions were temporarily assigned to addressing complaints. According to Mr. Hogan, the Planning Department received 331 complaints during FY 2000-01 and has a total registry of 486 complaints since 1999. The four requested new positions would form a new team dedicated to responding to such complaints and enforcing Planning Code violations. The existing positions temporarily assigned to enforcement would return to their original Planning Team, where they are currently needed, according to Mr. Hogan. Enforcement of Planning Code violations could provide additional revenue from fines charged for violating sign regulations and from court actions resulting in civil penalties of up to $500 per day for Planning Code violations and potential fines under the California Business and Professions Code, plus reimbursement for City Attorney fees, according to Ms. Judy Boyajian of the City Attorney's Office. The Budget Analyst is recommending approval of these four (3.0 FTE) requested new permanent 5291 Planner III positions.

2. The Planning Department's budget includes an increase of $440,000, or 489 percent, in Equipment Purchases, from $90,000 to $530,000. A total of $500,000 in new equipment purchases would support the Department's computer replacement program to retire and replace approximately 25 percent of the Department's existing personal computer stock by the end of FY 2001-02, as well as update four outdated network servers, ten printers, 12 Geographic Information System (GIS) workstations and related software. According to the Department, the computers and supporting equipment to be replaced are out-of-date and insufficient for their needs. In FY 2000-01 the Department

Department: CPC CITY PLANNING (continued)

received $70,000 to replace one-sixth of the Department's computer stock, and in prior years, the Department has requested supplemental appropriations to replace old computers. The Budget Analyst recommends approval of such equipment. The remaining $30,000 of the $530,000 budgeted for Equipment Purchases is to purchase a new automobile to support the new planning code enforcement team discussed in Comment No. 1 above. The Budget Analyst recommends reducing the amount budgeted for the new automobile by $4,000, from $30,000 to $26,000, to conform with guidelines developed by the Purchasing Department.

3. The Planning Department's budget continues to fund the Better Neighborhoods 2002 Project, which was initiated in 1999 and was estimated to cost $1.3 million per year for four years. The Board of Supervisors provided $1,260,317 to fund the program in FY 1999-00 and $1,191,390 in FY 2000-01. The budget for FY 2001-02 includes an additional $1,168,587 for the program, including $700,000 in Professional and Specialized Services. Therefore, if the Board of Supervisors approves the proposed request of $1,168,587 for FY 2001-02, the Better Neighborhoods 2002 Project will have received a total of $3,620,294 since FY 1999-00. The goal of the Better Neighborhoods 2002 is to provide neighborhood-wide profiles and planning, which incorporate analyses of land use, existing transportation nodes, urban design and the real estate market. The Planning Department is currently completing such profiles and plans for three City neighborhoods: Upper Market/Octavia, the Central Waterfront and the Balboa Park Area. According to Mr. Hogan, the Planning Department is currently working to select one of the following five areas to undergo the planning process next: the Geary Corridor, the Castro, the South of Market area (SOMA), Visitation Valley or the Outer Mission. The Budget Analyst recommends that the $700,000 budgeted for outside consulting contracts for the Better Neighborhoods 2002 Project be placed on reserve pending selection of contractors and submission to the Finance Committee of budget details, including hourly rates and the number of hours.

4. The Planning Department's budget includes funding to replace existing interim zoning controls with permanent zoning controls in the South of Market area, Mission District, Showplace Square area and the area near Pacific Bell Park. Mr. Hogan advises that the interim zoning controls were first implemented in August of 1999 and are set to expire in August of 2001. Developing permanent controls involves large-scale public outreach, environmental review, and economic and urban design studies. In May of 2001, the Board of Supervisors approved a $1.9 million supplemental appropriation to fund outside consulting contracts to complete such planning studies. In addition, the Planning Department would support the implementation of permanent industrial zoning controls with the three new positions that were previously approved by the Board of Supervisors as a budget exception in the to the FY 2001-02 Interim Annual Appropriation Ordinance. Mr. Hogan advises that the Planning Department must still undergo public outreach and reach consensus with different community groups, and thus the Planning Department is unable to provide an estimated completion date for the proposed permanent industrial zoning controls. Any proposed permanent industrial zoning controls will require approval by the Planning Commission and the Board of Supervisors.

5. The Mayor's Office increased the Planning Department's budget for the Transbay Terminal Project by $311,000, or 165 percent, from $189,000 to $500,000, to complete urban planning studies for

Department: CPC CITY PLANNING (continued)

developing the Transbay Terminal area. Of the $500,000 for such Professional and Specialized Services, the Redevelopment Agency would reimburse the Planning Department for $200,000. The remaining $300,000 would be funded in the Planning Department's budget with General Fund monies, according to Mr. Hogan. Mr. Hogan advises that the Planning Department needs to first develop a schedule for the Transbay Terminal Project and does not yet know when the Planning Department will select through a Request for Proposals (RFP) outside consultants to perform the Transbay Terminal planning studies. The Budget Analyst recommends placing the subject $500,000 on reserve pending selection of contractors and submission to the Finance Committee of budget details, including hourly rates and the number of hours.

COMMENT

The Mayor's budget provides an increase of $648,485 or 4.69 percent. Our recommended reductions, which total $188,975 would still allow an increase of $459,510 or 3.33 percent in the Department's budget.

Department: CPC - City Planning

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Long Range Planning								
2492	027	Professional and Specialized Services				$500,000	$500,000*	
		* Reserve $500,000 for outside consulting contracts to perform urban planning studies of the Transbay Terminal area, pending selection of contractors and submission to the Finance Committee of budget details, including hourly rates and the number of hours.						
Better Neighborhoods 2002 Project								
2942	027	Professional and Specialized Services				700,000	700,000*	
		*The Budget Analyst considers the requested $700,000 for outside consulting contracts for the Better Neighborhoods 2002 Project to be a policy matter for the Board of Supervisors. If the funds are approved, the $700,000 should be placed on reserve pending selection of contractors and submission to the Finance Committee of budget details, including hourly rates and the number of hours.						
Current Planning (FDP)								
2947	001	Permanent Salaries				5,458,437	5,399,764	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2956	001	Attrition Savings - Misc.	9993M	1.87	2.78	(120,095)	(178,768)	58,67

Increase in Attrition Savings to offset the effect of the Department's upward substitution of four positions, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.

epartment: CPC - City Planning

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2947	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				$1,323,200	$1,309,186	14,014
2947	060	Equipment Purchase * The recommended reduction is the total of the following specific recommendations.				530,000	526,000	*
2960	060	Automotive & Other Vehicles Reduce to conform with guidelines developed by the Purchasing Department.	VSML-N			30,000	26,000	4,000

dministration/Planning (FEF)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
948	001	Permanent Salaries *The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				1,458,798	1,367,683	*
958	001	Senior Administrative Analyst	1823	1.00	0.00	69,583	0	69,583

Disapprove the one (1.0 FTE) requested new permanent position, not sufficiently justified. The Planning Department requested the 1823 Senior Administrative Analyst to serve as a liaison to the Board of Supervisors, a representative for the Planning Director and the Zoning Administrator at Board of Supervisors' meetings, and a Department representative to community meetings. The Department states that this position would represent the Director of Planning at Board of Supervisors meetings. However, the Department has numerous qualified employees already representing the Department before the Board of Supervisors. In addition, there would be many times that the Director of Planning would need to attend Board of Supervisors meetings, even if the proposed 1823 Senior Administrative Analyst position were approved.

The Budget Analyst, however, is recommending approval of eight (6.75 FTE) of the nine (7 75 FTE) new requested positions, including four (3.0 FTE) new Planner III positions to serve as a new Planning Code Enforcement Team, one new Clerk (0.75 FTE), and the previously recommended approval of three (3.0 FTE) new positions in the FY 2001-02 Interim Annual Appropriation Ordinance to implement permanent industrial zoning controls.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CPC - City Planning

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2959	001	Attrition Savings - Misc. Increase in Attrition Savings to offset the effect of the Department's upward substitution of two positions, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.	9999M	0.43	0.74	($29,917)	($51,449)	21,52
2948	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				328,376	307,203	21,13
		Total Recommended Reductions						**$188,95**
		Total Recommended Reserves						**$1,200,0**

DEPARTMENT: CSC CIVIL SERVICE COMMISSION

FINANCIAL DATA:

The Civil Service Commission proposed $744,872 budget for FY 2001-02 is $18,081 or 2.37 percent less than the original FY 2000-01 budget of $762,953. The net decrease from the revised FY 2000-01 budget is $18,081 or 2.37 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CIVIL SERVICE COMMISSION	$ 762,953	$ 762,953	$ 744,872	$ (18,081)
Total Expenditures	$ 762,953	$ 762,953	$ 744,872	$ (18,081)
Less: Work Order Recoveries	(110,718)	(110,718)	(90,530)	20,188
Net Expenditure	$ 652,235	$ 652,235	$ 654,342	$ 2,107

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 6.84 FTEs, which is 0.20 FTE less than the 7.04 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: CSC CIVIL SERVICE COMMISSION (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CIVIL SERVICE COMMISSION	7.04	7.04	6.84	(0.20)
Totals	7.04	7.04	6.84	(0.20)

DEPARTMENT REVENUES

General Fund support has increased by $2,107 or 0.30 percent.

DESCRIPTION

The increase in the Civil Service Commission net expenditures from FY 2000-01 original budget is $2,107. The net expenditure increase in the proposed budget is primarily related to:

- A $5,586 increase in Professional & Specialized Services due to increased funding for Administrative Law Judges/Hearing Officers (totaling $4,500) and Photocopy Machine and Delivery Service expenses (totaling $1,086);
- A $754 increase in Services of Other Departments for increases in services provided;
- A $1,853 increase in Salaries and Mandatory Fringe Benefits;
- A $500 decrease in Training expenses to reflect actual usage of Training; and,
- A $5,586 decrease in Other Materials and Supplies due to the completion of computer upgrades which no longer requires the purchase of data processing supplies.

Personnel: The number of full-time equivalent positions budgeted for FY 2001-02 is 6.84 FTEs, which is 0.20 FTE less than the 7.04 FTEs in the original FY 2000-01 budget. The decrease of 0.20 FTEs is due to the reclassification of a 1374 Special Assistant XV at 1.00 FTE to a 1272 Senior Departmental Personnel Officer at 0.80 FTE, which is a work order position funded by the Airport. The proposed budget also includes a position substitution of a 1372 Special Assistant XIII at 1.00 FTE for a 0951 Deputy Director I at 1.00 FTE as shown in the table below. The substitution of the 1372 Special Assistant XIII for a 0951 Deputy Director I is part of the MEA Management Classification/Compensation Plan.

Department: CSC CIVIL SERVICE COMMISSION (continued)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1372	Special Assistant XIII	$ 83,781	0951	Deputy Director I	$ 83,781
Exempt	1	1374	Special Assistant XV	93,281	1272	Senior Departmental Personnel Officer	75,105
Totals	2			$177,062			$158,886

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CSC - Civil Service Commission

				Number		Amount		
Page No.	Object		Position/ Equipment Number	From	To	From	To	Savings
2961	027	Professional & Specialized Services				$ 34,586	$ 29,000	$ 5,586

Reduce Professional & Specialized Services by $5,586. The Department's FY 2001-02 budget for Professional & Specialized Services of $34,586 includes $21,500 for Administrative Law Judges/Hearing Officers to hear civil services appeals that cannot be resolved by the Department's staff or the Civil Service Commission. To date, in FY 2000-01, no cases were referred to an outside Judge or Hearing Officer and one case was referred in FY 1999-00. The Department has indicated that because of potential appeals from the pending MEA Management Classification/ Compensation Plan, they are likely to need such outside services. However, the Department is uncertain how many cases would be referred to an outside Judge or Hearing Officer. The hourly rate for such outside services is approximately $150 per hour. Such appeals also require a court reporter at $250 for the first four hours of a hearing and $75 per hour for each hour in excess of four hours. Given that no cases were referred to an outside Judge or Hearing Officer in the last fiscal year, but acknowledging that it is possible appeals from the MEA Management Classification/Compensation Plan, along with other appeals heard by the Civil Service Commission, might require such outside services, the Budget Analyst recommends that (a) $29,000 be provided for Professional & Specialized Services, or $5,586 less that the requested amount of $34,586; and, (b) $17,000 out of the recommended amount of $29,000 be provided for outside hearing services, or $4,500 less than the requested amount of $21,500 for such outside hearing services.

Total Recommended Reductions	$5,586

DEPARTMENT: ETH ETHICS COMMISSION

FINANCIAL DATA:

The Ethics Commission's proposed $742,164 budget for FY 2001-02 is $160,625 or 17.79 percent less than the original FY 2000-01 budget of $902,789. The net increase from the revised FY 2000-01 budget is $14,377 or 1.98 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ETHICS COMMISSION	$ 902,789	$ 727,787	$ 742,164	$ (160,625)
Total Expenditures	$ 902,789	$ 727,787	$ 742,164	$ (160,625)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 7.52 FTEs, which is 3.31 FTEs less than the 10.83 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ETHICS COMMISSION	10.83	7.10	7.52	(3.31)
Totals	10.83	7.10	7.52	(3.31)

Department: ETH ETHICS COMMISSION (continued)

SPECIAL ASSISTANT POSITIONS:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1367	Special Asst. VIII	$56,402	1823	Sr. Admin Analyst	$69,583
Exempt	1	1370	Special Asst. XI	70,627	1824	Principal Admin Analyst	81,354
Totals	2			$127,029			$150,937

There are no remaining Special Assistant positions in the Ethics Commission.

DEPARTMENT REVENUES

Department revenues have increased by $1,815 or 2.55 percent and General Fund support has decreased by $162,440 or 19.50 percent.

DESCRIPTION

The reduction in the Ethics Commission's FY 2001-02 original budget as compared to the proposed FY 2001-02 budget primarily results from a clerical error which incorrectly included $185,000 of Temporary Salaries-Misc funds, instead of the correct amount of $10,000 in the original FY 2000-01 budget. In fact, correcting this error, the budget for FY 2001-02 is $14,375, or 1.98 percent more than the original FY 2000-01 budget. In addition, there was (1) a $59,030 decrease in Other Current Expenses, due to a reduction of rent costs at 30 Van Ness Avenue, since the City is purchasing the building, and (2) a reduction of $21,697 of Materials and Supplies, due to one-time furniture and moving expenses incurred in FY 2000-01 from the move to the 30 Van Ness facility, which will not recur in FY 2001-02.

These reductions are partially offset by the following five upward substitutions, which are included in the proposed FY 2001-02 budget:

Department: ETH ETHICS COMMISSION (continued)

Current Class, Title and Annual Salary		Proposed Class, Title and Annual Salary		Annual Salary Difference
AA81, Executive Director	$89,073	0961, Department Head I	$97,249	$8,176
1367, Special Assistant VIII	56,402	1823, Sr. Admin. Analyst	69,583	13,181
1842, Management Assistant	59,260	1823, Sr. Admin Analyst	69,583	10,323
1370, Special Assistant XI	70,627	1824, Prin. Admin. Analyst	81,354	10,727
1426, Senior Clerk Typist	45,431	1408, Principal Clerk	54,533	9.102
Total				$51,509

In November of 2000, the voters of San Francisco approved Proposition O, which requires the Ethics Commission to implement a public matching funds program for candidates for the Board of Supervisors. The proposed budget includes $30,000 of Temporary Salary funds for the Ethics Commission to begin to implement the proposed program. There are various Charter Amendments currently pending before the Board of Supervisors, which could significantly change the operations and costs for the Ethics Commission.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ETH - Ethics Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
2967	001	Permanent Salaries - Misc·				442,355	438,388	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
2968		Senior Administrative Analyst	1823	2.00	1.00	139,166	69,583	69,5
		Senior Management Assistant	1844	0.00	1.00	0	$65,616	(65,61
		The 1823 Senior Administrative Analyst should be changed to an 1844 Senior Management Assistant, in accordance with DHR's recommendation.						
2967	013	Mandatory Fringe Benefits				112,180	111,584	596
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Total Recommended Reductions						$4,5

DEPARTMENT: HRD HUMAN RESOURCES

FINANCIAL DATA:

The Human Resource Department proposed $67,140,087 budget for FY 2001-02 is $241,811 or .36 percent more than the original FY 2000-01 budget of $66,898,276. The net decrease from the revised FY 2000-01 budget is $791,907 or 1.17 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	$ 3,479,748	$ 3,479,748	$ 4,147,926	$ 668,178
EMPLOYEE RELATIONS	3,037,826	3,434,106	2,110,481	(927,345)
EQUAL EMPLOYMENT OPPORTUNITY	683,820	685,320	678,425	(5,395)
HEALTH SERVICE SYSTEM	6,422,324	6,558,262	6,551,534	129,210
MANAGEMENT INFORMATION SYSTEM	4,626,556	5,126,556	4,151,787	(474,769)
MERIT SERVICE SYSTEM	3,236,707	3,236,707	3,356,410	119,703
TRAINING & ORGANIZATION DEVELOPMENT	531,662	531,662	384,446	(147,216)
WORKERS COMPENSATION	44,879,633	44,879,633	45,759,078	879,445
Total Expenditures	$ 66,898,276	$ 67,931,994	$ 67,140,087	$ 241,811
Less: Work Order Recoveries	(47,150,575)	(47,652,075)	(48,327,527)	(1,176,952)
Net Expenditures	$ 19,747,701	$ 20,279,919	$ 18,812,560	$ (935,141)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 214.43 FTEs, which is 3.09 FTEs more than the 211.34 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: HRD HUMAN RESOURCES (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	29.16	29.16	30.98	1.82
EMPLOYEE RELATIONS	15.78	15.78	15.87	0.09
EQUAL EMPLOYMENT OPPORTUNITY	8.98	8.98	8.96	(0.02)
HEALTH SERVICE SYSTEM	58.28	58.28	59.20	0.92
MANAGEMENT INFORMATION SYSTEM	16.05	16.05	15.43	(0.62)
MERIT SERVICE SYSTEM	34.62	34.62	36.06	1.44
TRAINING & ORGANIZATION DEVELOPMENT	5.48	5.48	4.48	(1.00)
WORKERS COMPENSATION	42.99	42.99	43.45	0.46
Totals	211.34	211.34	214.43	3.09

SPECIAL ASSISTANT POSITIONS RECOMMENDED FOR RECLASSIFICATION

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	2	1373	Special Assistant XIV	$259,956	923	Manager VI	$173,304
Provisional	1	1373	Special Assistant XIV		923	Manager VI	86,652
Exempt	2	1374	Special Assistant XIV	185,563	0931	Manager VII	185,563
Provisional	1	1375	Special Assistant XVI	100,328	1278	Deputy Director	113,848
Provisional	1	1375	Special Assistant XVI	100,328	1248	Assistant Division Manager	93,882
Total	7			$646,175			$653,249

REMAINING SPECIAL ASSISTANT POSITIONS

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Temporary	1	1365	Special Assistant VI	$48,729	Filled
Exempt	2	1372	Special Assistant XII	161,141	Filled
Temporary	1	1376	Special Assistant XVII	107,976	Filled
Total	4			$317,846	

Department: HRD HUMAN RESOURCES (continued)

DEPARTMENT REVENUES

General Fund support has decreased by $935,141 or 4.70 percent.

DESCRIPTION

The net increase in the Human Resources Department's expenditures from the FY 2000-2001 original budget of $66,898,276 is $241,811. Total increased expenditures for salaries and fringe benefit costs, rental costs, Workers Compensation Insurance, and reimbursements to other City Departments are $3,459,482. These increased expenditures of $3,459,482 are offset by $3,217,671 in decreased expenditures for travel and training, professional and specialized services, other current expenses, and materials and supplies, for a net increase of $241,811 ($3,459,482 less $3,217,671).

Increased expenditures of $3,459,482 include:

- $645,157 in increased salaries and fringe benefits costs, due to step increases, various upward substitutions, 2.5 proposed new positions, and MOU-related increases;
- $432,044 in increased rental costs;
- $2,289,303 in Workers Compensation Insurance costs for City General Fund Departments; and
- $92,979 in increased reimbursements to other City Departments, including increased costs for Light, Heat, and Power.

The increased expenditures of $3,459,482 in the proposed FY 2001-2002 budget have been offset by decreased expenditures of $3,217,671, for a net increase of $241,811.

Interdepartmental recoveries and expenditure recoveries increased by $1,176,952, for a total net decrease in the FY 2001-2002 DHR budget of $935,141 ($1,176,952 less $241,811).

The FY 2001-2002 DHR includes $100,000 in new funding plus $300,000 in funding appropriated for a Citywide classification study and carried forward from prior years' budgets, for total funding of $400,000 for implementation of the Management Classification/ Compensation Plan (MCCP). DHR proposes to use the $400,000 to create five new temporary positions in FY 2001-2002 for MCCP implementation. These five new positions are in addition to the net increase of 3.09 FTEs noted in the table above.

In addition to the five new temporary positions for MCCP implementation, the proposed DHR budget includes 2.0 new FTEs, representing 2.5 new positions, plus other adjustments, resulting in a net increase of 3.09 FTEs. The Budget Analyst recommends approval of 1.5 FTEs, representing 2 new positions, including 0.75 FTE Senior Clerk Typist and 0.75 FTE Senior Personnel Analyst.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Training and Organization Development								
2976	001	Permanent Salaries - Misc. The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$269,430	$262,507	*
2994	001	Attrition Savings - Misc. Increase attrition savings to reflect actual FY 2000-2001 expenditure levels.	9993M			(1,276)	(8,199)	$6,92
2976	013	Mandatory Fringe Benefits Corresponds to increase in attrition savings.				67,279	65,619	1,66
Merit Service System								
2981	001	Permanent Salaries - Misc. The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				1,768,421	1,729,424	*
2998	001	Personnel Technician Disapprove 0.5 new FTE which would duplicate an existing 0.5 FTE 1203. We are however recommending approval of 1.5 new FTEs, including 0.75 FTE Senior Clerk Typist and 0.75 FTE Senior Personnel Analyst.	1203N	0.5	0.0	24,182	0	24,18

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: HRD - Human Resources

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
98	001	Management Assistant	1842S	1.0	0.75	$59,260	$44,445	$14,815
		Reduce by 0.25 FTE to reflect an actual hire date of October 1, 2001.						
99	001	Senior Personnel Analyst	1244S	1.0	0.75	83,729	62,797	20,932
		Reduce by 0.25 FTE to reflect an actual hire date of October 1, 2001.						
281	013	Mandatory Fringe Benefits				445,045	430,328	14,717
		Corresponds to reduction in salaries.						

dministration

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
287	027	Professional & Specialized Services				100,000	100,000 *	
		DHR has included $100,000 in new funding in the FY 2001-2002 budget for implementation of the Management Classification/ Compensation Plan. The total budget for MCCP implementation is $400,000, which includes $100,000 in new funding and $300,000 in funding carried forward from the FY 2000-2001 budget. DHR proposes to create five temporary positions, including one Principal Personnel Analyst, two Senior Personnel Analysts, one Training Officer, and one Personnel Technician, in FY 2001-2002 for MCCP implementation. The total salary and fringe benefit costs for these five temporary positions is $398,498. The Budget Analyst recommends reserving $100,000 and instructing the Controller to reserve the $300,000 in carry-forward funds, pending submission by DHR of a detailed MCCP implementation plan, which includes details of the five proposed new positions and timelines for submitting proposed reclassifications of existing management positions into the new Manager classes to the Board of Supervisors.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
Workers Compensation								
2989	001	Permanent Salaries - Misc.				$2,248,059	$2,224,589	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
3003	001	Assistant Division Manager	1248S	1.0	0.0	93,882	0	93,
		Assistant Division Manager	1248L	0.0	0.75	0	70,412	(70,
		Reduce by 0.25 FTE to reflect the actual hire date of October 1, 2001, and designate the Assistant Division Manager position as "L" for limited tenure for a two-year period. The Workers Compensation Division is in the process of developing a new Risk Management Information System and other organizational changes. The entire staffing organization should be analyzed before permanently creating this new position with an annual salary of $93,882.						
2989	013	Mandatory Fringe Benefits				592,241	587,287	4,
		Corresponds to reduction in salaries.						
Health Service System								
2992	001	Permanent Salaries - Misc.				2,972,877	2,949,407	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
007	001	Assistant Division Manager	1248S	1.0	0.0	$93,882	$0	$93,882
		Assistant Division Manager	1248L	0.0	0.75	0	70,412	(70,412
		Reduce by 0.25 FTE to reflect an actual hire date of October 1, 2001 and designate the Assistant Division Manager position as "L" for limited-tenure for a two year period. The Health Service System is in the process of developing a new claims management system, which will result in organizational changes, and possibly reduce the ongoing need for some staff positions. The entire staffing organization should be analyzed before permanently creating this new position with an annual salary of $93,882.						
007	001	Senior Clerk Typist	1426N	0.75	0.0	34,073	0	34,073
		Senior Clerk Typist	1426L	0.0	0.75	0	34,073	(34,073
		Designate one new Senior Clerk Typist position as "L" for limited-tenure for a two year period. The Health Service System is in the process of developing a new claims management system, which will result in organizational changes, and possibly reduce the ongoing need for some staff positions, which should be analyzed before creating a permanent new position.						
292	013	Mandatory Fringe Benefits				795,755	790,801	4,954
		Corresponds to reduction in salaries.						

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2992	030	Rents & Leases - Buildings & Structures Reduce the amount budgeted for rent for the property at 1145 Market Street by $54,304. The Real Estate Division is currently negotiating with the property owner regarding the new rental rate for the subject property, to be effective January 1, 2002. The proposed budget includes rent for 1145 Market Street of $359,764 for the period from January 1, 2002, through June 30, 2002 (13,576 square feet at $53 per square foot per year, or approximately $4.42 per square foot per month, for one-half year). Based on discussions with the Real Estate Division, our recommended reduction of $54,304 would provide rent of $305,460 for the period from January 1, 2002 through June 30, 2002 (13,576 square feet at $45 per square foot per year, or $3.75 per square foot per month, for one-half year).				$707,343	$653,039	$54,

Total Recommended Reductions	$194,
Total Recommended Reserves	$10

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: MYR MAYOR

FINANCIAL DATA:

The Mayor's proposed $76,494,651 budget for FY 2001-02 is $22,578,149 or 41.88 percent more than the original FY 2000-01 budget of $53,916,502. The net increase from the revised FY 2000-01 budget is $18,458,479 or 31.81 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
AFFORDABLE HOUSING	$ 20,000,000	$ 20,006,165	$ 40,000,000	$ 20,000,000
ASSISTANCE & NEIGHBORHOOD OUTREACH	1,575,028	1,575,028	1,347,507	(227,521)
CITY ADMINISTRATION	5,559,726	5,559,726	4,841,408	(718,318)
COMMUNITY DEVELOPMENT	290,000	4,173,902	400,000	110,000
CRIMINAL JUSTICE	4,012,930	4,033,783	3,821,362	(191,568)
FINANCE & LEGISLATIVE AFFAIRS	832,823	832,823	811,162	(21,661)
GRANTS FOR THE ARTS	15,113,809	14,853,809	17,275,703	2,161,894
MOSCONE EXPANSION PROJECT	-	-	-	-
NEIGHBORHOOD BEAUTIFICATION	727,852	1,196,602	736,195	8,343
OFFICE OF EMERGENCY SERVICE	657,822	657,822	1,293,917	636,095
Total Operating Expenditures	$ 48,769,990	$ 52,889,660	$ 70,527,254	$ 21,757,264
Capital Improvements & Fac. Maint.	$ 5,146,512	$ 5,146,512	$ 5,967,397	$ 820,885
Total Expenditures	$ 53,916,502	$ 58,036,172	$ 76,494,651	$ 22,578,149
Less: Work Order Recoveries	(1,343,049)	(1,343,049)	(1,115,049)	228,000
Net Expenditures	$ 52,573,453	$ 56,693,123	$ 75,379,602	$ 22,806,149

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 75.96 FTEs, which is .82 FTEs less than the 76.78 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: MYR MAYOR (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
AFFORDABLE HOUSING	-	-	-	-
ASSISTANCE & NEIGHBORHOOD OUTREACH	16.48	16.48	16.69	0.21
CITY ADMINISTRATION	31.75	31.75	30.49	(1.26)
COMMUNITY DEVELOPMENT	-	-	-	-
CRIMINAL JUSTICE	7.38	7.38	7.39	0.01
FINANCE & LEGISLATIVE	8.42	8.42	8.39	(0.03)
GRANTS FOR THE ARTS	4.75	4.75	5.00	0.25
NEIGHBORHOOD BEAUTIFICATION	2.00	2.00	2.00	-
OFFICE OF EMERGENCY SERVICE	6.00	6.00	6.00	-
Totals	76.78	76.78	75.96	(0.82)

SPECIAL ASSISTANT POSITIONS:

*Special Assistant Positions Recommended for Substitution**

Exempt / Provisional	Count	Old Class	Title	Total Salary	New Class	Title	Total Salary
	1	1369	Special Asst X	$65,615	1371	Special Asst XII	$75,951
	1	1366	Special Asst VII	52,435	1368	Special Asst IX	60,709
	1	1370	Special Asst XI	70,627	1373	Special Asst XIV	86,652
	1	1374	Special Asst XV	93,281	1377	Special Asst XVIII	116,119
	1	1363	Special Asst IV	42,334	1366	Special Asst VII	52,435
	2	1363	Special Asst IV	84,668	1365	Special Asst VI	97,458
	1	1368	Special Asst IX	60,709	1372	Special Asst XIII	80,571
	1	1369	Special Asst X	65,615	1372	Special Asst XIII	80,571
	1	1368	Special Asst IX	60,709	1369	Special Asst X	65,615
	1	1371	Special Asst XII	75,951	1373	Special Asst XIV	86,652
Totals	11			$671,944			$802,733**

* All Special Assistant Positions in the Mayor's Office are exempt.
** Total salary increase is $130,789.

Department: MYR MAYOR (continued)

Remaining Special Asssistant Positions*

Program	Count	Class	Title	Total Salary	Filled / Vacant
Emerg. Serv	1	1363	Special Asst IV	$42,334	Filled
	1	1367	Special Asst VIII	56,402	Filled
	1	1369	Special Asst X	65,116	Filled
	1	1371	Special Asst XII	75,951	Filled
	1	1376	Special Asst XVII	107,976	Filled
Crim. Justice	1	1365	Special Asst VI	48,729	Filled
	1	1365	Special Asst VI	48,729	Vacant
	1	1370	Special Asst XI	70,627	Filled
	1	1373	Special Asst XIV	86,652	Filled
	1	1374	Special Asst XV	93,281	Filled
	1	1377	Special Asst XVIII	116,119	Vacant
Asst & Neigh	1	1363	Special Asst IV	42,334	Filled
	1	1364	Special Asst V	45,577	Filled
	3	1365	Special Asst VI	146,186	Filled
	5	1366	Special Asst VII	262,175	Filled
	1	1368	Special Asst IX	60,709	Filled
	1	1369	Special Asst X	65,615	Filled
	2	1371	Special Asst XII	151,902	Filled
Work Order	1	1369	Special Asst X	65,615	Filled
City Admin	1	1364	Special Asst V	45,518	Vacant
	2	1364	Special Asst V	91,037	Filled
	3	1366	Special Asst VII	157,305	Filled
	2	1367	Special Asst VIII	112,804	Filled
	2	1369	Special Asst X	131,231	Filled
	2	1370	Special Asst XI	141,253	Filled
	1	1371	Special Asst XII	75,951	Filled
	1	1372	Special Asst XIII	80,571	Filled
	3	1375	Special Asst XVI	300,985	Filled
	2	1377	Special Asst XVIII	232,238	Filled
City Admin Work Order	1	1366	Special Asst VII	$52,436	Filled
	1	1372	Special Asst XIII	80,571	Vacant
	2	1372	Special Asst XIII	161,142	Filled
	1	1377	Special Asst XVIII	116,119	Filled
Grants Arts	2	1367	Special Asst VIII	112,804	Filled
	1	1375	Special Asst XVI	100,328	Filled
Neigh. Beaut.	1	1367	Special Asst VIII	56,402	Filled
	1	1376	Special Asst XVII	107,976	Filled
Finance/Leg	1	1369	Special Asst X	65,615	Filled
	1	1372	Special Asst XIII	80,571	Vacant
	5	1372	Special Asst XIII	402,853	Filled
	1	1374	Special Asst XV	93,281	Filled
	1	1377	Special Asst XVIII	116,119	Filled
Totals	64			$4,567,138	

Department: MYR MAYOR (continued)

*Grant-Funded Special Assistant Positions**

Program	Count	Class	Title	Total Salary	Filled / Vacant
Criminal Just.	1	1372	XIII	$80,571	Filled
Grants	1	1373	XIV	84,199	Filled
	1.4	1373	XIV	121,313	Filled
	1	1373	XIV	86,652	Filled
Totals	**4.4**			**$372,735**	

*All Special Assistant Positions in the Mayor's Office are exempt.

DEPARTMENT REVENUES

Department revenues have increased by $22,830,331 or 51.06 percent and General Fund support has decreased by $ 24,182 or .30 percent. Department revenues have increased primarily due to (1) an increase of $20 million, or 100 percent increase from $20 million in FY 2000-01 to $40 million in FY 2001-02, from the proceeds from the original $100 million General Obligation Affordable Housing Bonds (Proposition A) approved by the San Francisco voters in 1996, (2) an increase of $2,161,894 from additional Hotel Taxes allocated by formula to the Grants for the Arts and (3) an increase of $820,885 from additional Hotel Taxes allocated by formula for low-income housing.

DESCRIPTION

The proposed FY 2001-02 budget for the Mayor is increasing primarily due to an additional $20 million, for a total of $40 million of Affordable Housing Bond proceeds appropriated for FY 2001-02. Since this program began, $60 million of Affordable Housing Bonds have been appropriated. In May of 2001, the Board of Supervisors authorized the sale of the remaining $40 million (of the original $100 million) of Affordable Housing Bonds, which are anticipated to be fully committed, and substantially expended, on individual housing projects by the end of FY 2001-02. Under the program, 85 percent of the bond proceeds is dedicated to developing rental housing and 15 percent is dedicated to assistance with downpayments for first-time homebuyers.

A total of $17,275,703 of revenue is budgeted for the Grants for the Arts Division for FY 2001-02, due to an additional $2,161,894 of Hotel Tax revenues allocated for such individual grants as compared with the $15,113,809 available for the Grants for the Arts Division in FY 2000-01. Other increases include the Office of Emergency Service, whose budget is increasing by $636,095, primarily due to the inclusion of a $30,076 Department of Telecommunication and Information Services (DTIS) wireless infrastructure charge for the 800 MHz radio system and $511,625 of DTIS charges for the Mayor's Emergency Telephone System (METS), which would be used in the event of an emergency. These costs are being consolidated in FY 2001-02 in the Mayor's Office of Emergency Services, whereas they used to be allocated among various Mayor's division budgets. The proposed budget also

Department: MYR MAYOR (continued)

includes an offset of approximately $175,000 of grant funds from the State and Federal governments for the Office of Emergency Services.

It should be noted that although the positions and funds supporting the Community Development Block Grant were included in the Mayor's budget in prior years, the 72 FTE positions and total of $38,663,000 of grant funds, that were recently approved by the Board of Supervisors (File 00-0621) have been transferred off-budget and are not included in the proposed FY 2001-02 budget. These 72 FTE positions are still identified in the FY 2001-02 Annual Salary Ordinance for Community Development.

The Mayor's proposed budget deletes one 1366 Special Assistant VII from Administration, annualizes one new position for an increase of 0.25 FTE (from .75 FTE to 1.0 FTE) in the Grants for the Arts, and makes minor other changes to position counts, resulting in an overall net reduction of 0.82 FTEs. However, the proposed budget also includes the upward substitutions of 11 Special Assistants, resulting in individual annual salary increases of $4,906 to $22,838, for a total annual increased cost of $130,789, as shown in the table above. There are no downward substitutions proposed in the Mayor's budget. The Mayor's Office advises that all of the proposed upward substitutions are due to an increase in responsibilities for each of these Special Assistants.

The Mayor's proposed budget also includes $300,000 for completion of the Gay and Lesbian Center, which is scheduled to open in the Fall of 2001. To date, the City has appropriated $5.7 million for the Center.

In response to Supervisor Gonzalez's request for a $2 million reduction in the Mayor's FY 2001-02 budget, Mr. Steve Kawa of the Mayor's Office advises that all of the Mayor's budgeted positions are fully justified and the Department's reliance on the City's General Fund is decreasing by $24,182, or .30 percent from FY 2000-01 to FY 2001-02.

COMMENTS

The Mayor's budget provides an increase of $22,578,149. Our recommended reductions, which total $47,511, would still allow an increase of $22,530,638, or 41.79 percent in the Department's budget.

Department: MYR - MAYOR

			Position/ Equipment	Number		Amount		
Page No.	Object		Number	From	To	From	To	Savings
CGD		Criminal Justice						
3030	001	Permanent Salaries - Misc.				$511,446	$501,008	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
3054		Attrition Savings - Misc.				(41,969)	(52,407)	10,438
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 1370 Special Assistant XI to one 1373 Special Assistant XIV in October of 2000, which resulted in increased salary and fringe benefit costs during the current year, without budgetary approval of the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled 1373 Special Assistant XIV position at the higher salary and fringe benefit cost, but will offset the additional expenditures for the Department for the approximately eight month period (November of 2000 through June of 2001) because of this increase in Attrition Savings.						
3030	013	Mandatory Fringe Benefits				121,343	118,908	2,435
		Corresponds to the reduction in Attrition Savings - Misc.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: MYR - MAYOR

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
AJ		Assistance & Neighborhood						
040	001	Permanent Salaries - Misc				$811,557	$788,719	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
060		Attrition Savings - Misc	9993M			(36,283)	(59,121)	22,838
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 1374 Special Assistant XV to one 1377 Special Assistant XVIII in July of 2000, which resulted in increased salary and fringe benefit costs throughout the current year, without budgetary approval of the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled 1377 Special Assistant XVIII position at the higher salary and fringe benefit cost, but will offset the additional expenditures for the Department because of this increase in Attrition Savings.						
3040	013	Mandatory Fringe Benefits				208,474	202,670	5,804
		Corresponds to the reduction in Attrition Savings - Misc.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: MYR - MAYOR

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FEQ		Grants for the Arts						
3045	001	Permanent Salaries - Misc.				$330,847	$325,941	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
3064		Attrition Savings - Misc	9993M			0	(4,906)	4,906
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 1368 Special Assistant IX to one 1369 Special Assistant X in July of 2000, which resulted in increased salary and fringe benefit costs throughout the current year, without budgetary approval of the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled 1369 Special Assistant X position at the higher salary and fringe benefit cost, but will offset the additional expenditures for the Department because of this increase in Attrition Savings.						
3045	013	Mandatory Fringe Benefits				79,958	78,868	1,090
		Corresponds to the reduction in Attrition Savings - Misc.						
		Total Recommended Reductions						$47,511

Department: OCA ADMINISTRATIVE SERVICES – OFFICE OF CONTRACT ADMINISTRATION

FINANCIAL DATA:

The Department of Administrative Services – Office of Contract Administration proposed $5,071,959 budget for FY 2001-02 is $1,806,587 or 55.33 percent more than the original FY 2000-01 budget of $3,265,372. The net increase from the revised FY 2000-01 budget is $1,326,920 or 35.43 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CONTRACT ADMINISTRATION	$ -	$ 129,667	$ 1,440,097	$ 1,440,097
PROCUREMENT SERVICES	3,265,372	3,615,372	3,631,862	366,490
Total Expenditures	$ 3,265,372	$ 3,745,039	$ 5,071,959	$ 1,806,587
Less: Work Order Recoveries	(944,517)	(1,294,517)	(1,872,838)	(928,321)
Net Expenditures	$ 2,320,855	$ 2,450,522	$ 3,199,121	$ 878,266

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 51 FTEs, which is 11.29 FTEs more than the 39.71 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: OCA ADMINISTRATIVE SERVICES – OFFICE OF CONTRACT ADMINISTRATION **(continued)**

Full Time Equivalents	**Fiscal Year 2000-2001**		**Mayor's Budget Fiscal Year**	**Proposed Increase (Decrease) From 2000-2001**
	Original	**Revised**	**2001-2002**	**Original Budget**
CONTRACT ADMINISTRATION	-	1.12	11.50	11.50
PROCUREMENT SERVICES	39.71	39.71	39.50	(0.21)
Totals	39.71	40.83	51.00	11.29

There are no Special Assistant positions.

DEPARTMENT REVENUES

General Fund support has increased by $878,266 or 41.40 percent.

DESCRIPTION

The Department's FY 2001-02 budget proposes 7 new positions, equal to 5.25 FTEs adjusted for timing, and annualizes seven positions previously approved by the Board of Supervisors in May of 2001. The seven new positions being requested in the FY 2001-02 budget include:

(a) One new 1952 Purchaser position, equal to 0.75 FTE, to work in the City's Computer Store, at a maximum salary cost of $41,499, plus mandatory fringe benefits.

(b) Two new 2978 Contract Compliance Offers II , equal to 1.50 FTEs, and four new 2992 Contract Compliance Officers I, equal to 3.00 FTEs, to monitor compliance with the Prevailing Wage Ordinance, at an increased salary cost of $344,149, plus mandatory fringe benefits.

These seven proposed new positions would have a total annual salary cost of $385,648, plus mandatory fringe benefits.

Department: OCA ADMINISTRATIVE SERVICES – OFFICE OF CONTRACT ADMINISTRATION **(continued)**

The seven positions previously approved in May of 2001 have a total FY 2001-02 salary cost of $540,397, plus mandatory fringe benefits. These positions comprise:

(a) One 2978 Contract Compliance Officer II position and three 2992 Contract Compliance Officer I positions to monitor compliance with the provisions of the Minimum Compensation and Health Accessibility Ordinances.
(b) One 0932 Manager VIII position and one 2978 Contract Compliance Officer II position for the Prevailing Wage compliance monitoring function.
(c) One 1426 Senior Clerk Typist position to support the above monitoring functions.

In addition, the Department has increased (a) its 027 Professional and Specialized Services budget by $150,000 for a computer consultant to assess its data processing needs, and (b) its 040 Materials and Supplies budget by $229,886 to provide office support services for its proposed new staff.

COMMENT

The Mayor's budget provides an increase of $1,806,587. Our recommended reductions, which total $351,900, would still allow an increase of $1,454,687 or 44.5% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: OCA - Office of Contract Administration

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		FFB Contract Administration						
3024	001	Permanent Salaries - Misc.				$839,318	$648,676	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3076	001	Contract Compliance Officer II	2978 N	1.50	0.00	139,473	0	$139,47
3076	001	Contract Compliance Officer I	2992 N	3.00	2.25	204,676	153,507	51,169

In May of 2001, the Board of Supervisors approved a new 0932 Manager VIII and a new 2978 Contract Compliance Officer II to perform prevailing wage compliance monitoring. The Department is now requesting two additional 2978 Contract Compliance Officer II positions (1.50 FTEs in FY 2001-02) and four additional 2992 Contract Compliance Officer I positions (3.00 FTEs in FY 2001-02) for monitoring prevailing wage compliance. Therefore, the Department is requesting a total of six new positions (4.50 FTEs in FY 2001-02) for monitoring prevailing wage compliance. Pending determination of the actual number of construction projects and contractors to be monitored, and whether or not parking garage attendants and janitors are covered by the Department's monitoring program, the Budget Analyst recommends approval of 3 Contract Compliance Officers I (or 2.25 FTEs in FY 2001-02) of the requested 6 new positions (or 4.50 FTEs in FY 2001-02). The Budget Analyst is also recommending approval of one new 1952 Purchaser position, for a total recommended approval of 4 of the 7 requested new positions.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3074	013	Mandatory Fringe Benefits				199,430	157,935	41,495

Corresponds to reductions in Permanent Salaries.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: OCA - Office of Contract Administration

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3074	027	Professional and Specialized Services * The Budget Analyst recommends that $150,000 be placed on reserve, pending selection of an outside contractor and submission of budget details, including hourly rates and the estimated hours, to develop a computer contract compliance monitoring system.				$150,000	$150,000	*
074	040	Material & Supplies Reduce Materials and Supplies by $48,160. The Budget Analyst has recommended approval of 4 of the 7 proposed new positions, and therefore, recommends corresponding reductions in Materials and Supplies, as follows: (a) $25,500 for office reconfiguration costs. (b) $10,000 for computers. (c) $7,360 for telephones. (d) $1,700 for cabling. (e) $1,800 for phone services. (f) $1,800 for computer support. The recommended reduction of $48,160 would still result in an increase of $181,189 over the revised FY 2000-01 budget of $22,000. The revised budget amount of $203,189 also allows for computer, telephone, cabling, phone service, and computer support services for the seven new positions approved in May of 2001.				251,349	203,189	48,160

Total Recommended Reductions	$280,297
Total Recommended Reserves	$150,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: REG ELECTIONS

FINANCIAL DATA:

The Department of Elections proposed $8,471,292 budget for FY 2001-02 is $1,947,313 or 18.69 percent less than the original FY 2000-01 budget of $10,418,605. The net decrease from the revised FY 2000-01 budget is $4,359,200 or 33.98 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ELECTIONS	$ 10,418,605	$ 13,371,048	$ 8,471,292	$ (1,947,313)
Total Operating Expenditures	$ 10,418,605	$ 13,371,048	$ 8,471,292	$ (1,947,313)
Capital Improvements & Fac. Maint.	$ -	$ (540,556)	$ -	$ -
Total Expenditures	$ 10,418,605	$ 12,830,492	$ 8,471,292	$ (1,947,313)
Less: Work Order Recoveries	(91,665)	(91,665)	(91,665)	-
Net Expenditures	$ 10,326,940	$ 12,738,827	$ 8,379,627	$ (1,947,313)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 44.29 FTEs, which is 3.94 FTEs more than the 40.35 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: REG ELECTIONS (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ELECTIONS	40.35	50.96	44.29	3.94
Totals	40.35	50.96	44.29	3.94

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Total Salary	New Class	Title	Total Salary
Exempt	2	1367	Special Assistant VIII	$112,804	1410	Chief Clerk	$113,388
Exempt	3	1367	Special Assistant VIII	169,206	1842	Management Assistant	177,780
Exempt	1	1367	Special Assistant VIII	56,402	1844	Senior Management Assistant	61,610
Exempt	1	1365	Special Assistant VI	48,729	1408	Principal Clerk	49,455
Totals .	7			$387,141			$402,233

DEPARTMENT REVENUES

Department revenues are projected to increase by $62,087 or 8.79 percent and General Fund support is projected to decrease by $2,009,400 or 20.90 percent. The projected increase in revenues would primarily result from (1) the elimination of discounted fees for early submission of ballot arguments, and (2) a ten percent increase in ballot argument fees beginning with the March of 2002 elections' Voter Information Pamphlet. The Budget Analyst notes that the proposed ten percent increase in fees would be subject to separate legislative approval (File 01-1066) by the Board of Supervisors approval. Such legislation is currently pending before the Rules Committee.

Department: REG ELECTIONS **(continued)**

DESCRIPTION

Although the proposed FY 2001-02 Department of Elections budget is $1,947,313 less than the original FY 2000-01 budget, the FY 2000-01 original budget included $3,241,940 for one-time equipment expenses to purchase the new Elections Systems and Software, Inc. (ES&S) optical scan voter technology system. If such one-time equipment expenses are deducted, the proposed FY 2001-02 operating budget is not $1,947,313 less, but actually approximately $1.3 million more, than the original FY 2000-01 operating budget. Approximately $551,000 of the $1.3 million increase results from additional personnel costs, including the addition of 9.0 FTE new permanent positions and ten upward substitutions. The remaining approximately $750,000 increase results primarily from increased costs for printing of the larger ballots and the Voter Information Pamphlet.

The Department of Elections received a supplemental appropriation of $2,411,887 in April of 2001, primarily to cover significant cost overruns of Temporary Salary, Overtime, Other Current Expenses and for additional Services of Other City Departments for the November and December of 2000 election. As previously reported, a new voting system coupled, high staff turnover and an overall lack of management and supervision resulted in the need for the supplemental appropriation of funds. The Department has proposed a new reorganization plan, which would create new permanent positions under three new divisions, to address many of the problems that occurred last year. However, currently the Department (1) lacks a Director and any permanent upper-level management staff, (2) has a 50% vacancy rate in the overall staffing, and (3) needs to prepare for an upcoming November of 2001 election. The Budget Analyst's Office is not confident that the Department of Elections will be able to effectively implement the proposed reorganization plan, and has therefore recommended that ten months of all the proposed FY 2001-02 salary related funds be placed on reserve, thus requiring the Department to report back to the Finance Committee on the progress of the Department in approximately two months.

The proposed FY 2001-02 budget includes an additional $1,000,000 Unappropriated Revenue Elections Reserve, which is not reflected in the proposed Department of Elections total budget of $8,471,292. This $1,000,000 Reserve was initially established to substantially pay for ten months of a new lease and the related moving, furniture and equipment, at a total estimated cost of $1,062,920. These costs had been originally anticipated to occur in FY 2001-02 for the Department of Elections. However, since a new lease was disapproved by the Finance Committee, these funds are now being requested to be set aside for the Department of Elections in the event of a runoff election, the need to lease additional space or for possible Temporary Salary and Overtime cost overruns. The Budget Analyst recommends that this $1,000,000 Reserve be eliminated and that the Department of Elections separately justify their need for such additional funds in the form of a supplemental appropriation request to the Board of Supervisors, if necessary, just like any other department which may require additional costs beyond what the Mayor has recommended in their FY 2001-02 budget, if such costs are not known and/or have not been explained and justified in detail at this time.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

partment: REG - Elections

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
79	001	Permanent Salaries - Misc.				$1,395,181	$1,395,181*	$0

* Reserve $1,162,651 (ten months of funding) for Permanent Salaries - Misc to allow for the total reorganization of the Department, including 12 substitutions and the hiring of 9.0 new FTE positions (8.25 FTEs requested in the Interim Budget plus .75 FTE 1052 Business Analyst), as is proposed in the FY 2001-02 budget. Given (1) the lack of a Director and any permanent upper-level management staff for the Department of Elections, (2) a current 50% vacancy rate in the overall staffing of the Department, (3) an upcoming November of 2001 election, and (4) the uncertainty of the Department's ability to implement its proposed reorganization plan, the Budget Analyst cannot recommend specific reductions at this time. Therefore, the Budget Analyst is recommending approval of all of the 9.0 new FTEs, with a 10 month reserve on such Permanent Salary funds. In two months, the Department should be in a position to request the release of some or all of the recommended reserved funds from the Finance Committee, based on a review of the Department's progress in filling the current vacant and proposed new positions with qualified staffpersons and effectively managing the Department.

2		Management Assistant	1842S	3.0	0.0	177,780	0	177,780
		Management Assistant	1842L	0.0	3.0	0	177,780	(177,780)

Change the three substituted 1842S Management Assistant permanent positions to limited tenure 1842L Management Assistant positions. The three 1842S Management Assistants are being proposed as substitutions for three existing 1367 Special Assistant VIII positions, which, according to DHR, are designated as temporary exempt positions. Furthermore, given the uncertainty surrounding the proposed reorganization of the Department, the Budget Analyst is hesitant to recommend the creation of these three new permanent positions at this time.

Department: REG - Elections

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3082		Senior Management Asst.	1844S	2.0	1.0	123,220	61,610	61,610
		Senior Management Asst.	1844L	0.0	1.0	0	61,610	(61,610)

Change one of the two substituted 1844S Senior Management Assistant permanent positions to a limited tenure 1844L Senior Management Assistant position. One of these 1844S Senior Management Assistants is being proposed as a substitution for a 1367 Special Assistant VIII position, which, according to DHR, is currently designated as a temporary exempt position. That temporary position should not be given permanent status, as is proposed in the FY 2001-02 budget, and we therefore recommend that position be designated as limited tenure. Furthermore, given the uncertainty surrounding the proposed reorganization of the Department, the Budget Analyst does not recommend the creation of such a new permanent position at this time and instead recommends a limited tenure position. The other 1844S Senior Management Assistant position is also being proposed as a substitution for a 1367 Special Assistant VIII position, however that position is currently designated permanent exempt by DHR, such that we recommend that this position continue as a permanent position. Implementation of this recommendation would result in one Senior Management Assistant position being permanent and one Senior Management Assistant position being limited tenure.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3079	005	Temporary Salaries - Misc				900,000	900,000*	0

* Reserve $750,000 (ten months of funding) for Temporary Salaries - Misc to allow for total reorganization of the Department, as discussed above under Permanent Salaries - Misc.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: REG - Elections

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
79	009	Premium Pay				10,000	10,000*	0
		* Reserve $8,333 (ten months of funding) for Premium Pay to allow for total reorganization of the Department, as discussed above under Permanent Salaries - Misc.						
379	011	Overtime				200,000	200,000*	0
		* Reserve $166,667 (ten months of funding) for Overtime to allow for total reorganization of the Department, as discussed above under Permanent Salaries - Misc.						
379	013	Mandatory Fringe Benefits				436,250	436,250*	0
		* Reserve $363,542 (ten months of funding) for Mandatory Fringe Benefits to allow for total reorganization of the Department, as discussed above under Permanent Salaries - Misc.						
379	027	Professional and Specialized Services				381,408	377,408	4,000
		Reduce the requested Elections Systems and Software, Inc. (ES&S) ancillary services contract from $150,000 to $146,000, in accordance with the ES&S actual contract payment schedule.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: REG - Elections

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3079	030	Rents & Leases - Buildings & Structures				107,000	50,000	57,000
		Reduce to reflect actual rent costs for a storage warehouse on Pier 27.						
		Subtotal - Recommended Reductions						**$61,000**
		Subtotal - Recommended Reserves						**$2,451,193**
		Reapportionment						
3080	PRG038	Reapportionment Project				$253,237	$253,237*	$0

* These funds would pay for the staff, operating expenses and outside consultants to reapportion the 11 Board of Supervisors Districts, based on the 2000 US Census data. Reserve all of the $253,237 of budgeted funds for this Reapportionment Project, until the Director of the Department of Elections is hired, the Election Task Force has been formed and the consultant(s) have been identified, such that specific budget details, including hourly rates and estimated hours are available.

Subtotal Reapportionment Project - Recommended Reserves	**$253,237**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: REG - Elections

age No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
	Unappropriated Revenue - Designated Reserves						
	Elections Reserve				1,000,000	0.00	1,000,000

Eliminate the proposed $1,000,000 Unappropriated Election Reserve set aside for the Department of Elections. This reserve was originally established to pay approximately $1,062,920 ($572,920 for ten months of rent on a new lease and approximately $490,000 of additional moving, furniture and related equipment costs) for expenses anticipated to occur in FY 2001-02 for the Department of Elections. However, this lease was disapproved by the Finance Committee.

Subsequent to this lease being disapproved by the Finance Committee, the Mayor's Office now states that the Unappropriated Election Reserve funds would be needed in the event of a runoff election, for possible renting of additional space for the Department, or for unforeseen Temporary Salary and Overtime cost overruns. It should be noted that the proposed FY 2001-02 budget for the Department of Elections includes anticipated expenses for the November of 2001 and the March of 2002 elections, but does not include funds for potential runoff elections in either December of 2001 or March of 2002.

The Budget Analyst believes that funds for potential expenditures, such as a new lease and possible Temporary Salary and Overtime deficiencies should not be approved in the FY 2001-02 budget. The Budget Analyst recommends that if a runoff election is needed or other possible unforeseen expenses are required, the Department of Elections should separately justify their need for such additional funds in the form of a supplemental appropriation request to the Board of Supervisors, if necessary, in the same manner as any other department which may require additional costs beyond what the Mayor has recommended in their FY 2001-02 budgets, if such costs are not known and/or have not been explained and justified in detail at this time.

Furthermore, the Budget Analyst notes that, according to representatives from the Department, the cost of a runoff election is approximately $1.5 million to $2.0 million. In fact, the runoff election in December of 2000 cost approximately $1.9 million. Therefore, the requested reserve of $1.0 million would not be sufficient to cover the costs of a runoff election, and the Department would still need additional funds, and thus require a separate supplemental appropriation to be approved by the Board of Supervisors, if a runoff election is necessary.

Total Recommended Reductions	$1,061,000
Total Recommended Reserves	$2,704,430

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: RET RETIREMENT SYSTEM

FINANCIAL DATA:

The Retirement System's proposed $14,310,292 budget for FY 2001-02 is $688,942 or 5.06 percent more than the original FY 2000-01 budget of $13,621,350. The net increase from the revised FY 2000-01 budget is $688,942 or 5.06 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	$ 901,876	$ 901,876	$ 917,099	$ 15,223
EMPLOYEE DEFERRED COMPENSATION PLAN	405,120	405,120	421,897	16,777
INVESTMENT	1,361,307	1,361,307	1,589,737	228,430
RETIREMENT SERVICES	10,953,047	10,953,047	11,381,559	428,512
Total Expenditures	$ 13,621,350	$ 13,621,350	$ 14,310,292	$ 688,942

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 77.36 FTEs, which is 6.41 FTEs more than the 70.95 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	6.00	6.00	6.00	-
EMPLOYEE DEFERRED COMPENSATION PLAN	1.00	1.00	1.75	0.75
INVESTMENT	13.59	13.59	14.32	0.73
RETIREMENT SERVICES	50.36	50.36	55.29	4.93
Totals	70.95	70.95	77.36	6.41

Department: RET RETIREMENT SYSTEM (continued)

The Department has requested the following new Special Assistant positions:

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	0.75	1370	Special Assistant XI	$52,970	Vacant
Provisional	0.75	1371	Special Assistant XII	56,963	Vacant
Totals	1.50			$109,933	

DEPARTMENT REVENUES

Department revenues have increased by $678,465 or 5.08 percent and General Fund support has increased by $10,477 or 4.10 percent.

DESCRIPTION

In FY 2001-02, the Department's proposed budget increase is $688,942. This budget increase includes $463,601 more for permanent salary costs related to new positions, upward substitutions, and annualization of new positions approved for partial year funding in FY 2000-01, plus $130,658 more for mandatory fringe benefits costs. The Department also proposes to spend $97,233 more on equipment in FY 2000-01, primarily related to computer equipment purchases, all workplace modifications to meet the requirements of the Americans with Disabilities Act, and ergonomic equipment.

Key personnel changes comprise:

1. The proposed addition of a new 0.75 FTE 1371 Special Assistant XII as the Deferred Compensation Program Manager, with support from a new 0.5 FTE 1426 Senior Clerk Typist and a new 0.5 FTE 1650 Senior Accountant. These staff will be responsible for administering the Deferred Compensation Plan, a voluntary program added to the Retirement System in FY 1997-98. The Department currently provides clerical support services to the Deferred Compensation Program on a reimbursement basis.
2. The proposed addition of a new 0.75 FTE 1370 Special Assistant XI as the Pension Administration Project Specialist – Administration and Quality Assurance, to implement the new Pension Administration Systems Project.
3. The proposed addition of three new 0.75 FTE 1750 Microphoto/Imaging Technicians to replace current temporary staff who are responsible for converting incoming documents into an electronic format.
4. The proposed substitution of the current 1115 Chief Investment Officer position, which has a maximum salary of $127,760, with a AC31 Deputy Director of Investment position, which has a maximum salary of $228,790, an increase of $101,030 or 79.1 percent. If approved, this would be the highest paid position in the City. According to Ms. Clare Murphy, Executive Director of

Department: RET RETIREMENT SYSTEM **(continued)**

the Retirement System, such a high salary scale is required to attract and retain the caliber of applicant that the Retirement Board is seeking, particularly given the highly competitive private financial sector in the Bay Area. The Budget Analyst considers the proposed salary range for the new AC31 Deputy Director of Investment position to be a policy matter for the Board of Supervisors.

COMMENT

The Mayor's budget provides an increase of $688,942. Our recommended reductions, which total $182,434, would still allow an increase of $506,508 or 3.72% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

partment: RET - Retirement System

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
C Employee Deferred Compensation Plan								
1	001	Permanent Salaries - Misc.				$105,866	$100,187	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
5	001	Senior Clerk Typist	1426 N	0.50	0.375	22,715	17,036	$5,679
		Reduce to reflect estimated start date of October 1, 2001.						
1	013	Mandatory Fringe Benefits				26,354	24,787	1,567
		Corresponds to reduction in Permanent Salaries.						
D Retirement Services								
2	001	Permanent Salaries - Misc.				2,854,237	2,807,164	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
5	001	Microphoto/Imaging Technician	1750 N	2.25	1.50	81,375	54,249	27,126
		The Department currently employs one permanent 1.00 FTE 1750 Microphoto/Imaging Technician. The Department proposes adding another three 1750 positions (2.25 FTE in FY 2001-02) to process the projected 300,000 pages of new documents to be imaged annually. However, the projected workload volume only justifies an additional 2.00 FTE 1750 Microphoto/Imaging Technician positions. Due to an anticipated hire date of October 1, 2001, these 2.00 FTE recommended positions should be reduced to 1.50 FTEs in FY 2001-02.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: RET - Retirement System

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
3096	001	Senior Accountant	1652 A	2.00	1.625	$106,384	$86,437	$19,9
		The Department has requested a new 0.5 FTE 1652 Senior Accountant for the Employee Deferred Compensation Plan. There should therefore be a commensurate reduction in the 1652 Senior Accountant FTE count in the Retirement Services budget, as the staffing for that work has been transferred to the Employee Deferred Compensation Program budget.						
3092	005	Temp Salaries - Misc.				275,800	235,949	39,8
		Reduce to reflect actual projected expenditures. The recommended reduction of $39,851 would still result in an increase of $16,059 over the original FY 2000-01 budget.						
3091	013	Mandatory Fringe Benefits				26,354	9,798	16,
		Corresponds to the reduction in Permanent Salaries and Temporary Salaries, and the increase in Attrition Savings.						
3092	022	Training				33,055	23,624	9,
		Reduce to reflect actual FY 2000-01 expenditure, adjusted for cost of living.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: RET - Retirement System

age No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
92	060	Equipment Purchase				$216,900	$199,455	*

* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.

00	060	H-P Optical Jukebox	RS014N	1	1	16,117	16,081	$36
00	060	Compaq Proliant ML530	RS016R	1	1	19,099	19,013	86
00	060	Miscellaneous hardware	RS017N	1	1	14,996	13,581	1,415
00	060	Nortell Networks Passport	RS018N	1	1	54,096	53,723	373
00	060	Novell ZENworks 3	RS019N	1	1	6,513	5,701	812
00	060	Windows Office 2000	RS020N	1	1	31,602	31,530	72
00	060	Ciscowork 2000 LAN	RS021N	1	1	12,050	12,023	27
00	060	HP Suresore & Julebox	RS022N	1	1	6,072	6,058	14
00	060	Miscellaneous software	RS023N	1	1	9,179	9,006	173
00	060	ADA workarea modification	RS024N	1	1	25,000	16,005	8,995
00	060	Ergonomic equipment	RS025N	1	1	15,000	9,558	5,442

Reduce 060 Equipment Purchase budget by $17,445 due to the following reductions:

(a) $8,450 due to reduction to actual quoted prices, and due to miscalculation of sales tax at 8.5 percent, rather than the current 8.25 percent.
(b) $8,995 for ADA workarea modifications to reflect actual FY 2000-01 expenditure, adjusted for cost of living.

The recommended reduction of $17,445 would still result in an increase of $79,988 over the original FY 2000-01 budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: RET - Retirement System

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
FDF Investment								
3093	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$1,261,328	$1,223,196	*
3098	001	Deputy Director for Investment The Budget Analyst considers the proposed Deputy Director for Investment position, at a maximum annual salary of $228,790, to be a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed salary range, the anticipated hire date for the new Deputy Director for Investment position, at that salary range, is September 1, 2001. Therefore, this new position should be budgeted for 10 months in FY 2001-02 (0.83 FTE), permitting a reduction of $38,894.	AC31 S	1.00	0.83	228,790	190,658	$38,
3093	013	Mandatory Fringe Benefits Corresponds to reduction in Permanent Salaries.				266,409	259,710	6,6
		Total Recommended Reductions						$182,4

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

FINANCIAL DATA:

The Treasurer/Tax Collector's proposed $18,217,051 budget for FY 2001-02 is $2,592,494 or 12.46 percent less than the original FY 2000-01 budget of $20,809,545. The net decrease from the revised FY 2000-01 budget is $2,592,494 or 12.46 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
DEPARTMENTAL MANAGEMENT	$ 3,815,557	$ 3,815,557	$ 1,761,332	$ (2,054,225)
LEGAL SERVICE	538,410	538,410	553,320	14,910
TAX ASSESSMENT	470,493	470,493	484,063	13,570
TTX TAXPAYER ASSISTANCE	873,534	873,534	944,378	70,844
TTX-BUSINESS TAX	7,057,598	7,056,598	5,356,819	(1,700,779)
TTX-DELINQUENT REVENUE	3,349,185	3,349,185	3,527,893	178,708
TTX-INVESTMENT	759,156	759,156	758,912	(244)
TTX-PROPERTY TAX/LICENSING	1,776,179	1,791,179	2,483,792	707,613
TTX-TREASURY	2,169,433	2,155,433	2,346,542	177,109
Total Expenditures	$ 20,809,545	$ 20,809,545	$ 18,217,051	$ (2,592,494)
Less: Work Order Recoveries	(1,260,741)	(1,260,741)	(1,347,161)	(86,420)
Net Expenditures	$ 19,548,804	$ 19,548,804	$ 16,869,890	$ (2,678,914)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 184.59 FTEs, which is 2.16 FTEs more than the 182.43 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: TTX TREASURER/TAX COLLECTOR (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
DEPARTMENTAL MANAGEMENT	16.78	16.78	17.14	0.36
LEGAL SERVICE	5.76	5.76	5.76	-
TAX ASSESSMENT	7.13	7.13	7.13	-
TTX TAXPAYER ASSISTANCE	11.52	11.52	11.93	0.41
TTX-BUSINESS TAX	45.47	45.47	45.59	0.12
TTX-DELINQUENT REVENUE	44.62	44.62	44.72	0.10
TTX-INVESTMENT	5.45	5.45	5.45	-
TTX-PROPERTY TAX/LICENSING	13.03	13.03	13.27	0.24
TTX-TREASURY	32.67	32.67	33.60	0.93
Totals	182.43	182.43	184.59	2.16

The following positions have been reclassified under the Managerial Executive Association (MEA) Management Classification and Compensation Plan.

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.00	1372	Special Assistant XIII	$80,571	0922	Manager V	$83,781
Exempt	1.00	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	1.00	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	1.00	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	1.00	1374	Special Assistant XV	93,281	0931	Manager VII	96,998
Exempt	1.00	1374	Special Assistant XV	93,281	0931	Manager VII	96,998
Exempt	1.00	1376	Special Assistant XVII	107,976	0933	Manager IX	112,278
Totals	7.00			$616,822			$641,398

Department: TTX TREASURER/TAX COLLECTOR (continued)

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	5.00	1367	Special Assistant VIII	$280,083	Filled
Totals	5.00			$280,083 ($56,017 each)	

DEPARTMENT REVENUES

Department revenues have increased by $488,148 or 14.03 percent and General Fund support has decreased by $3,167,062 or 19.70 percent.

DESCRIPTION

The Department's proposed FY 2001-02 budget is $2,592,494 less than the original FY 2000-01 budget primarily due to $2,162,050 having been appropriated in FY 2001-02 (of which $1,162,050 is still on reserve) for a new Business Tax System. This project was delayed due to a decision not to continue with the original vendor selected by the Department. The project will now begin in FY 2001-02 subsequent to the award of contract through a Request for Proposals process. No additional funding has been budgeted for this project in FY 2001-02. However, the Treasurer/Tax Collector will be required to obtain release of the $1,162,050 in reserved funds prior to completing the project.

The balance of the FY 2001-02 budget decrease is attributable to a $1,193,676 reduction in the use of services of other departments, offset against increased personnel costs resulting from the annualization of new positions approved for partial year funding in FY 2000-01 and cost of living adjustments for temporary salaries.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: TTX - Treasurer/Tax Collector

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
FCN Property Tax/Licensing								
3112	001	Permanent Salaries - Misc.				$481,849	$464,453	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
3126	001	Senior Administrative Analyst	1823 S	1.00	0.75	69,583	52,187	$17,39
		Reduce the vacant 1.00 FTE 1823 Senior Administrative Analyst position to a 0.75 FTE position, due to the projected hire date of October 1, 2001.						
3112	013	Mandatory Fringe Benefits	9993M			134,830	130,788	4,04
		Corresponds to reductions in Permanent Salaries.						
FCO Business Tax								
3114	001	Permanent Salaries - Misc.				2,536,364	2,508,711	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: TTX - Treasurer/Tax Collector

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
128	001	Principal Accountant	1654 S	2.00	0.75	$129,352	$48,507	$80,845
128	001	Senior Accountant	1652 S	0.00	1.00	0	53,192	(53,192)
		The Department proposes to replace 2.00 FTE 1652 Senior Accountants with 2.00 FTE Principal Accountants to attract more highly skilled and experienced accountants in order to (a) recruit staff who are better equipped to handle the high volume of documentation required of these positions, and (b) provide greater management oversight. In order to evaluate the benefits of substituting the higher classification, the Budget Analyst recommends that only one of the 1652 Senior Accountant positions be reclassified in FY 2001-02. Since it will not be possible to fill the reclassified position immediately, it should be funded as a 0.75 FTE.						
14	013	Mandatory Fringe Benefits	9993M			647,834	642,252	5,582
		Corresponds to reductions in Permanent Salaries.						
G Departmental Management								
10	027	Professional & Specialized Services				15,000	4,300	10,700
		Reduce to actual FY 2000-01 expenditure level, adjusted for cost of living.						
320	029	Maintenance Services - Equipment				6,600	6,200	400
		Reduce to reflect actual Departmental need.						
		Total Recommended Reductions						$65,773

DEPARTMENT: GEN GENERAL CITY RESPONSIBILITY

FINANCIAL DATA:

The General City Responsibility proposed $435,817,269 budget for FY 2001-02 is $148,169,699 or 51.51 percent more than the original FY 2000-01 budget of $287,647,570. The net increase from the revised FY 2000-01 budget is $151,706,886 or 53.4 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
DEPARTMENTAL TRANSFER ADJUSTMENT	$ (240,770,123)	$ (240,770,123)	$ (271,612,214)	$ (30,842,091)
GENERAL CITY RESPONSIBILITIES	528,417,693	524,880,506	707,429,483	179,011,790
Total Expenditures	$ 287,647,570	$ 284,110,383	$ 435,817,269	$ 148,169,699
Less: Work Order Recoveries	(2,611,795)	(2,384,508)	(1,220,457)	1,391,338
Net Expenditure	$ 285,035,775	$ 281,725,875	$ 434,596,812	$ 149,561,037

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 2.75 FTEs, which is .75 FTE more than the 2 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
GENERAL CITY RESPONSIBILITIES	2.00	2.00	2.75	0.75
Totals	2.00	2.00	2.75	0.75

Department: GEN GENERAL CITY RESPONSIBILITY (continued)

DEPARTMENT REVENUES

Department revenues have increased by $73,076,615 or 72.19 percent and General Fund support has increased by $76,484,422 or 41.60 percent.

DESCRIPTION

1. The General City Responsibility budget is comprised of general responsibilities not covered by other City departments, including General Fund supported debt service.

2. The primary changes in General City Responsibility expenditures, which have increased by $148,169,699 from the Original Fiscal Year 2000-01 budget, are as follows:

$5,300,000	Increase in Retiree Health Subsidy due to the November of 2000 Charter Amendment increasing benefits for retired City employees.
$9,200,000	Implementation costs associated with the Minimum Compensation and Healthcare Accessibility ordinances to be paid to non-profit service providers who experience verifiable cost increases due to such ordinances.
$2,750,000	Increase in San Francisco's partner obligation to the Peninsula Corridor Joint Powers Board
$62,800,000	Proceeds from the anticipated sale of Business Tax Settlement Bonds.
$16,000,000	Increased debt service for General Obligation Bonds (approximately $9,000,000) and debt service for Business Tax Settlement Bonds (approximately $7,000,000)
$30,800,000	Increased General Fund contribution to General Fund Subsidized departments (primarily San Francisco General Hospital, Laguna Honda Hospital and the Municipal Railway)
$11,700,000	General Fund transfer to the Moscone Expansion Project
$10,800,000	Increase in General Fund Reserves

Department: GEN GENERAL CITY RESPONSIBILITY (continued)

3. General Fund Reserves for FY 2001-2002 are shown in the table below.

General Fund – General Reserve	$30,000,000
Audit/Year-End Closing Adjustments	4,500,000
Board District Services Reserve	375,000
Elections Reserve	1,000,000
Litigation Reserve	7,975,707
Technical Adjustment Reserve	1,000,000
Salary and Benefits	46.880.219
Total Designated Reserves	$91,730,926

4. The General City Responsibility Budget also funds staff costs for Committee on Information Technology (COIT) administrative support positions. The proposed FY 2001-02 budget includes a 0.75 new 1842 Management Assistant position to assist COIT in its expanded responsibility to monitor and review all new City-wide information technology contracts for consistency, completeness and performance.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

---

epartment: GEN - General City Responsibility

age No.	Object		Position/ Equipment Number	Number From	 To	Amount From	 To	Savings
44	097	Unappropriated Revenue Reserved				$91,730,926	$90,730,926	$1,000,000
		Reduce Reserves by $1,000,000 to implement recommendations concerning the funds reserved for the Department of Elections as explained in our separate report on the Department of Elections.						
		Total Recommended Reductions						**$1,000,000**

DEPARTMENT: ADP ADULT PROBATION

FINANCIAL DATA

The Adult Probation Department's proposed $9,012,553 budget for FY 2001-02 is $805,659 or 8.21 percent less than the original FY 2000-01 budget of $9,818,212. The net decrease from the revised FY 2000-01 budget is $986,384 or 9.86 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION - ADULT PROBATION	$ 2,864,194	$ 3,000,180	$ 2,009,476	$ (854,718)
COMMUNITY SERVICES	4,799,350	4,844,089	4,864,574	65,224
PRE-SENTENCING INVESTIGATION	2,154,668	2,154,668	2,138,503	(16,165)
Total Expenditures	$ 9,818,212	$ 9,998,937	$ 9,012,553	$ (805,659)
Less: Work Order Recoveries	(94,000)	(140,000)	(294,100)	(200,100)
Net Expenditures	$ 9,724,212	$ 9,858,937	$ 8,718,453	$ (1,005,759)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 124.99 FTEs, which is 3.78 FTEs less than the 128.77 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ADP ADULT PROBATION (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION - ADULT PROBATION	35.17	35.17	27.74	(7.43)
COMMUNITY SERVICES	64.84	64.84	67.00	2.16
PRE-SENTENCING INVESTIGATION	28.76	28.76	30.25	1.49
Totals	128.77	128.77	124.99	(3.78)

The Department has no Special Assistants.

DEPARTMENT REVENUES

Department revenues have decreased by $707,083 or 47.59 percent and General Fund support has decreased by $298,676 or 3.60 percent.

DESCRIPTION

The $805,659 decrease in proposed expenditures compared to the Department's original FY 2000-01 budget is comprised of several components. This decrease is mainly due to the expiration of the $688,191 Criminal Justice Treatment Network for Women Federal Grant on September 30, 2001. This decrease in the Department's proposed budget is primarily attributed to the following:

- ☐ $81,814 reduction in Permanent Salaries - Misc
- ☐ $211,233 reduction in Mandatory Fringe Benefits
- ☐ $99,771 reduction in Professional and Specialized Services
- ☐ $9,165 reduction in Other Current Expenses
- ☐ $35,137 reduction in Materials and Supplies
- ☐ $66,000 reduction in Equipment Lease/Purchase Option
- ☐ $345,301 reduction in Services to Other Departments

New positions are proposed in FY 2001-02: The Department is proposing three new 8444 Deputy Probation Officer positions in FY 2001-02. These positions are requested to reduce caseload per Deputy Probation Officer in the Department. The full year salary and benefits costs for these new positions will be approximately $210,330. For FY 2001-02, these three new positions are funded for 50 percent of the year and the additional costs will be $105,165.

Department: ADP ADULT PROBATION (continued)

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: AGW ADMINISTRATIVE SERVICES – CONSUMER ASSURANCE

FINANCIAL DATA:

The Department of Administrative Services – Consumer Assurance proposed $1,856,238 budget for FY 2001-02 is $274,072 or 17.32 percent more than the original FY 2000-01 budget of $1,582,166. The net increase from the revised FY 2000-01 budget is $210,572 or 12.80 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
AG WTS & MEASURES INSPECTION	$ 1,582,166	$ 1,645,666	$ 1,741,238	$ 159,072
Total Operating Expenditures	$ 1,582,166	$ 1,645,666	$ 1,741,238	$ 159,072
Capital Improvements & Fac. Maint.	$ -	$ -	$ 115,000	$ 115,000
Total Expenditures	$ 1,582,166	$ 1,645,666	$ 1,856,238	$ 274,072
Less: Work Order Recoveries	(88,800)	(88,800)	(99,343)	(10,543)
Net Expenditures	$ 1,493,366	$ 1,556,866	$ 1,756,895	$ 263,529

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 23.45 FTEs, which is .55 FTE more than the 22.9 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: AGW ADMINISTRATIVE SERVICES – CONSUMER ASSURANCE **(continued)**

Full Time Equivalents	**Fiscal Year 2000-2001** Original	**Fiscal Year 2000-2001** Revised	**Mayor's Budget Fiscal Year 2001-2002**	**Proposed Increase (Decrease) From 2000-2001 Original Budget**
AG WTS & MEASURES INSPECTION	22.90	23.57	23.45	0.55
Totals	22.90	23.57	23.45	0.55

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	1.00	1367	Special Assistant VIII	$56,402	1314	Public Relations Officer, High Risk Pest Exclusion Program	$57,018
Totals	1.00			$56,402			$57,018

The Department's sole Special Assistant position is being substituted, with the approval of the Department of Human Resources, to a 1314 Public Relations Officer to more accurately reflect the actual position responsibilities.

DEPARTMENT REVENUES

Department revenues have decreased by $7,514 or .64 percent and General Fund support has increased by $271,043 or 83.60 percent. This decline in non-General Fund Department revenues is attributable to a $52,829 reduction in Federal subventions and a $28,685 reduction in State grants and subventions, offset by increases in Farmer's Market fees and public safety charges.

DESCRIPTION

Due to the loss of Federal and State revenues, the Department's budget has eliminated two grant-funded positions. However, the Department's proposed FY 2001-02 budget requests three new permanent positions at a total FY 2001-02 cost of $101,409, including (a) one new 0.75 FTE 6218 Weights and Measures/Agriculture Inspector, to be funded through the California Department of Food

Department: AGW ADMINISTRATIVE SERVICES – CONSUMER ASSURANCE **(continued)**

and Agriculture Glassy Wing Sharpshooter Program, and (b) two new 0.75 FTE 6220 Inspectors of Weights and Measures, to implement the new Parking Lot Revenue Control Program, to be funded from program fees and the General Fund. The General Fund is estimated to pay approximately 81.0 percent of the total salary and fringe benefit costs for these two new positions in FY 2001-02.

A new facilities maintenance project for the proposed renovation of the Farmer's Market restroom is budgeted at $115,000.

COMMENT

The Mayor's budget provides an increase of $274,072. Our recommended reductions, which total $55,210, would still allow an increase of $218,862 or 13.8% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: AGW - Consumer Assurance

Page No.	Object		Position/ Equipment Number	Number		Amount		Savin
				From	To	From	To	
		AOB Agriculture/Weights and Measures Inspection						
30	001	Permanent Salaries - Misc.				$1,040,271	$996,758	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
34	001	Inspector of Weights and Measures	6220 N	1.50	0.75	74,345	37,173	$37
		The Department has not provided adequate workload justification for the addition of two new 6220 Inspector of Weights and Measures positions to implement the new Parking Lot Revenue Control Program. The annual salary and fringe benefit cost of each of these two positions is $48,472, for a total cost of $96,944. The General Fund will fund $78,544, or 81.0 percent of that cost. However, in order to implement the Parking Revenue Control Program previously approved by the Board of Supervisors, which will become effective on July 9, 2001, the Budget Analyst does recommend approval of one of the two new 0.75 FTE Inspector of Weights and Measures positions.						
34	001	Account Clerk	1630 S	0.50	0.417	17,651	14,709	2,
		Reduce the vacant 0.50 FTE1630 Account Clerk position to a 0.417 FTE position (half time for ten months), due to the projected hire date of September 1, 2001.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: AGW - Consumer Assurance

ige ı.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
	001	Attrition Savings - Miscellaneous	9993M	(1.16)	(1.23)	($57,078)	($60,477)	$3,399
		Attrition Savings - Misc. has been increased by $3,399 to offset the effect of the Department's upward substitution of (1) a 1367 Special Assistant VIII position to a 1314 Public Relations Officer, and (2) a 6218 Weights and Measures/Agriculture Trainee position to a 6220 Inspector of Weights and Measures, which would result in increased salary and fringe benefits costs during the past year without the approval of the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit costs, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
(	013	Mandatory Fringe Benefits				287,877	276,180	11,697
		Corresponds to reductions in Permanent Salaries.						
		Total Recommended Reductions						$55,210

DEPARTMENT: ANC ADMINISTRATIVE SERVICES-ANIMAL CARE & CONTROL

FINANCIAL DATA:

The Department of Administrative Services – Animal Care & Control proposed $3,053,984 budget for FY 2001-02 is $198,437 or 6.95 percent more than the original FY 2000-01 budget of $2,855,547. The net increase from the revised FY 2000-01 budget is $198,437 or 6.95 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ANIMAL WELFARE	$ 2,845,547	$ 2,845,547	$ 3,043,984	$ 198,437
Total Operating Expenditures	$ 2,845,547	$ 2,845,547	$ 3,043,984	$ 198,437
Capital Improvements & Fac. Maint.	$ 10,000	$ 10,000	$ 10,000	$ -
Total Expenditures	$ 2,855,547	$ 2,855,547	$ 3,053,984	$ 198,437

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 41.9 FTEs, which is .02 FTE more than the 41.88 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ANC ADMINISTRATIVE SERVICES – ANIMAL CARE & CONTROL (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ANIMAL WELFARE	41.88	41.88	41.90	0.02
Totals	41.88	41.88	41.90	0.02

DEPARTMENT REVENUES

General Fund Support has increased by $198,437 or 7.40 percent.

DESCRIPTION

The net increase in the Animal Care and Control Division expenditures from the FY 2000-2001 original budget of $2,855,547 is $198,437. These increased expenditures of $198,437 include:

- $78,720 for salaries and fringe benefits, including the upward substitution of three positions to create Assistant Supervisor positions, and MOU-mandated increases;
- $15,000 for service contracts to provide emergency medical services for sick and injured animals;
- $61,000 for one replacement low-emission sedan and one replacement Animal Control van;
- $9,070 for two replacement, industrial quality dishwashers; and
- $34,647 for increases in (a) services provided by other City Departments, including computer, heating and lighting, (b) travel expenses, and (c) equipment lease finance payments.

The Animal Care and Control Division has no Special Assistant Positions.

COMMENT

The Mayor's budget provides an increase of $198,437. Our recommended reductions, which total $2,400, would still allow an increase of $196,037 or 6.87% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

Department: **Animal Care and Control**

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi
40	009	Premium Pay Reduce by $2,400 to reflect actual current year expenditures and the reduced amount needed for Lead Worker Pay in FY 2001-2002 due to upward substitutions , creating 3 Assistant Supervisor positions.				$31,656	$29,256	$2,4
		Total Recommended Reductions						$ 4

DEPARTMENT: CME ADMINISTRATIVE SERVICES – MEDICAL EXAMINER

FINANCIAL DATA:

The Department of Administrative Services – Medical Examiner proposed $4,311,304 budget for FY 2001-02 is $113,019 or 2.69 percent more than the original FY 2000-01 budget of $4,198,285. The net increase from the revised FY 2000-01 budget is $113,019 or 2.69 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
MEDICAL EXAMINER - ADMINISTRATION	$ 740,443	$ 740,443	$ 967,744	$ 227,301
MEDICAL EXAMINER - INVESTIGATIVE SERVICE	1,261,600	1,261,600	1,320,978	59,378
MEDICAL EXAMINER - MEDICAL SERVICES	2,196,242	2,196,242	2,022,582	(173,660)
Total Expenditures	$ 4,198,285	$ 4,198,285	$ 4,311,304	$ 113,019
Less: Work Order Recoveries	(15,734)	(15,734)	(17,650)	(1,916)
Net Expenditures	$ 4,182,551	$ 4,182,551	$ 4,293,654	$ 111,103

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 35.49 FTEs, which is 0.24 FTE less than the 35.73 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: CME ADMINISTRATIVE SERVICES – MEDICAL EXAMINER (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
MEDICAL EXAMINER - ADMINISTRATION	7.13	7.13	7.12	(0.01)
MEDICAL EXAMINER - INVESTIGATIVE SERVICE	13.91	13.91	14.00	0.09
MEDICAL EXAMINER - MEDICAL SERVICES	14.69	14.69	14.37	(0.32)
Totals	35.73	35.73	35.49	(0.24)

DEPARTMENT REVENUES

General Fund support has increased by $111,103 or 2.80 percent.

DESCRIPTION

The increase in the Medical Examiner net expenditures from FY 2000-01 original budget is $111,103. The net expenditure increase in the proposed budget is primarily related to:

- A net increase of $44,213 in the Materials and Supplies Budget due to the one-time purchase of six medical cots ($9,180), five 800 MHz radios ($6,000), one digital transcription service equipment ($15,000); hardware and software computer upgrades ($16,300); and, a decrease in supplies needed for work order drug tests for new recruits (-$2,267);
- An increase of $47,841 in Permanent Salaries – Misc; and,
- A $7,575 increase in Other Current Expenses to cover the increased costs of the service maintenance contracts for the lab and autopsy equipment.

The Department is also requesting $150,700 to purchase: (a) new equipment which processes human tissue for microscopic slide preparation to replace old equipment ($47,100); (b) new autopsy room cabinets to replace original cabinets which are broken and rusted ($38,750); (c) new rear security doors to replace old security doors which have increasingly failed to lock ($35,900); (d) a separate server and network for the Toxicology Lab ($21,000); and, (e) autopsy lift and storage equipment which will improve storage and prevent potential lifting injuries ($7,950). The equipment request for FY 2001-2002 is $29,300 less than the equipment request for FY 2000-01.

Department: CME ADMINISTRATIVE SERVICES – MEDICAL EXAMINER (continued)

Personnel: The number of full-time equivalent positions budgeted for FY 2001-02 is 35.49 FTEs, which is 0.24 FTE less than the 35.73 FTEs in the original FY 2000-01 budget. The decrease of 0.24 FTEs is due to an increase of 0.24 FTEs in Attrition Savings. The proposed budget includes two reclassifications: (1) 1.0 FTE 1440 Medical Transcriber to 1.0 FTE 1840 Junior Administrative Assistant, which was approved by the Department of Human Resources and would increase permanent salaries by $3,916 for FY 2001-2002; and, (2) 5.0 FTEs AC28 Chief Forensic Pathologist to 5.0 FTEs 2598 Assistant Medical Examiner, which is approximately cost neutral. The Department does not currently have any Special Assistant positions.

COMMENT

The Mayor's budget provides an increase of $113,019. Our recommended reductions, which total $24,131, would still allow an increase of $88,888 or 2.12% in the Department's budget.

Department: CME - Medical Examiner

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Medical Examiner - Administration (ASG)								
48	005	Temporary Salaries - Misc The Department's total projected expenditures for Temporary Salaries - Misc for FY 2000-01 are $80,912, or $20,574 less than the budgeted $101,486. The Budget Analyst recommends a total reduction in Temporary Salaries - Misc. of $22,412. The recommended total reduction for the Department's Temporary Salaries - Misc. of $22,412 is based on actual expenditures in FY 2000-01 plus a cost of living adjustment. The recommended reduction of $1,404 for the Department's Administration Division is based on its percentage of the Department's total budget for Temporary Salaries - Misc.				$ 6,677	$ 5,273	$ 1,404
48	013	Mandatory Fringe Benefits Corresponds to the reduction in Temporary Salaries - Misc.				112,156	112,048	108
Medical Examiner - Medical Services (ASM)								
49	005	Temporary Salaries - Misc The Department's projected total expenditures for Temporary Salaries - Misc for FY 2000-01 are $80,912, or $20,574 less than the budgeted $101,486. The recommended total reduction for the Department's Temporary Salaries - Misc. of $22,412 is based on actual expenditures in FY 2000-01 plus a cost of living adjustment. The recommended reduction of $4,768 for the Department's Medical Services Division is based on its percentage of the Department's total budget for Temporary Salaries - Misc.				22,670	17,902	4,768

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CME - Medical Examiner

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
49	013	Mandatory Fringe Benefits Corresponds to the reduction in Temporary Salaries - Misc.				266,525	266,159	366

Medical Examiner - Investigative Services (ASN)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
50	005	Temporary Salaries - Misc. The Department's projected total expenditures for Temporary Salaries - Misc for FY 2000-01 total $80,912, or $20,574 less than the budgeted $101,486. The recommended total reduction for the Department's Temporary Salaries - Misc. of $22,412 is based on actual expenditures in FY 2000 01 plus a cost of living adjustment. The recommended reduction of $16,240 for the Department's Investigative Services Division is based on its percentage of the Department's total budget for Temporary Salaries - Misc.				77,214	60,974	16,240
50	013	Mandatory Fringe Benefits Corresponds to the reduction in Temporary Salaries - Misc.				219,456	218,211	1,245
		Total Recommended Reductions						$ 24,131

DEPARTMENT: CRT TRIAL COURTS

FINANCIAL DATA:

The Trial Courts' proposed $38,571,028 budget for FY 2001-02 is $13,425 or .03 percent less than the original FY 2000-01 budget of $38,584,453. The net decrease from the revised FY 2000-01 budget is $126,245 or .33 percent. The $38,571,028 includes $23,391,990 of City funds mandated to be added to the State Trial Court Agency Fund used to fund the Trial Courts. Otherwise, the $38,571,028 budget amount excludes Trial Court expenditures that will be funded by the State Trial Court Agency Fund in FY 2001-02. When the $38,571,028 is combined with State Trial Court Agency Fund funding, which is estimated to be $37,768,639 in FY 2001-02, the Trial Court's total budget will be $76,339,667.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
COURT HOUSE DEBT SERVICE	$ 4,477,223	$ 4,477,223	$ 4,492,114	$ 14,891
DISPUTE RESOLUTION PROGRAM	422,573	462,253	401,500	(21,073)
DISTRICT ATTORNEY CHILD SUPPORT SERVICES	1,225,791	1,225,791	1,471,606	245,815
INDIGENT DEFENSE/GRAND JURY	6,569,430	6,569,430	7,010,430	441,000
TRIAL COURT SERVICES	25,138,436	25,211,576	25,139,378	942
Total Operating Expenditures	$ 37,833,453	$ 37,946,273	$ 38,515,028	$ 681,575
Capital Improvements & Fac. Maint.	$ 751,000	$ 751,000	$ 56,000	$ (695,000)
Total Expenditures	$ 38,584,453	$ 38,697,273	$ 38,571,028	$ (13,425)

Department: CRT TRIAL COURTS (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 18.5 FTEs, which is the same as the 18.5 FTEs in the original FY 2000-01 budget. The 18.5 FTE total excludes FTEs funded by the State Trial Court Agency Fund in FY 2001-02. When combined with the total number of FTEs funded by the State Trial Court Agency Fund, which is 498.37 FTEs, the Trial Court's total FTEs will be 516.87. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Increase (Decrease) From 2000-2001 Original Budget
DISTRICT ATTORNEY CHILD SUPPORT SERVICES	16.75	16.75	17.50	0.75
TRIAL COURT SERVICES	1.75	1.75	1.00	(0.75)
Totals	18.50	18.50	18.50	-

DEPARTMENT REVENUES

Department revenues have decreased by $721,182 or 10.45 percent and General Fund support has increased by $707,757 or 2.20 percent.

DESCRIPTION

Under State law, the Board of Supervisors has authority over only a portion of the total Trial Court budget. For FY 2001-02, the amount subject to Board review and approval is $15,179,038. That is the amount remaining from the total Trial Courts proposed budget of $76,339,667 after deducting State Trial Court Agency Fund funding of $37,768,639 and the mandated local contribution of $23,391,990. The table on the following page shows the funding sources of the Trial Court's budget.

Department: CRT TRIAL COURTS **(continued)**

A breakdown of funding sources and proposed expenditures for FY 2001-02 is as follows:

Source	**Funds Provided by**	**Proposed Expenditure Amount**
State Trial Court Agency Fund	State Funds	$37,768,639
State Mandated Local Contribution to State Trial Court Agency Fund	City & County General Fund, as mandated by the State to obtain State Trial Court Agency funding	23,391,990
TOTAL STATE FUNDING		$61,160,629
City & County	1. City and County GF supported, at discretion of City & County	9,007,236
	2. Courthouse Construction Fund	4,492,114
	3. Filing Fees & Other Funds	1,679,688
TOTAL CITY & COUNTY FUNDING		15,179,038
TOTAL OPERATING BUDGET		**$76,339,667**

Department: **CRT TRIAL COURTS (continued)**

The approximately $15,179,038 in proposed FY 2001-02 Trial Courts costs subject to Board of Supervisors approval is comprised of the following:

	Original 2000-01	Proposed 2001-02	$ Change	% Change
General Fund Supported:				
Juvenile Dependency Mediation	$136,591	$93,822	-$42,769	-31.3%
Fringe benefits for Municipal Court Judges	110,000	145,000	35,000	31.8%
Rent for storage of court files	3,500	3,500	0	0.0%
Services of other departments	1,416,435	1,323,866	-92,569	-6.5%
Utilities	4,500	21,200	16,700	371.1%
Maintenance - Civic Center Court House	0	10,000	10,000	-
Maintenance - Hall of Justice	36,000	56,000	20,000	55.6%
Indigent Defense	6,546,000	6,967,000	421,000	6.4%
Office of Family Law Facilitator (GF portion)	97,603	343,418	245,815	251.9%
Grand Jury expenses	23,430	43,430	20,000	85.4%
Subtotal General Fund	*$8,374,059*	*$9,007,236*	*$633,177*	*7.6%*
Filing fees, grants, and other funds:				
Alternative Dispute Resolution	422,573	401,500	-21,073	-5.0%
Children's waiting rooms	126,000	150,000	24,000	19.0%
Office of Family Law Facilitator (non-GF portion)	1,128,188	1,128,188	0	0.0%
Courthouse construction debt service	5,192,223	4,492,114	-700,109	-13.5%
Subtotal fees/other	*$6,868,984*	*$6,171,802*	*-$697,182*	*-10.1%*
GRAND TOTAL	$15,243,043	$15,179,038	-$64,005	-0.4%

As shown, the proposed General Fund contribution to the Trial Courts is proposed to increase by $633,177 or 7.6 percent over the original Fiscal Year 2000-01 budget.

Costs for programs and services funded by filing fees, grants, and other sources (but not eligible for State Trial Court Agency funding) are proposed to decrease by $697,182 or 10.1 percent.

The net effect of all proposed increases and decreases in all areas not eligible for State Trial Court Agency funding is a decrease of $64,005 or 0.4 percent, in proposed locally approved funding.

Department: CRT Trial Courts

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Trial Courts Services - General Fund Non Project								
Indigent Defense - General Fund Non Project								
70	026	Court Fees and Other Compensation				6,967,000	6,767,000	$200,000

Reduce Court Fees and Other Compensation by $200,000. The Court is proposing an increase of $421,000 over last year's original budget, or 6.4 percent, for private court appointed indigent defense counsel. The Court's requested amount of $6,967,000 does not include the costs incurred over the last two fiscal years for the services of private court appointed counsel in Department 11, where the Public Defender's Office ceased providing representation during part of FY 1997-98, all of FY 1998-99 and part of FY 1999-00 due to a staff shortage. The Public Defender was subsequently authorized additional positions in FY 1999-00 and has since been providing representation in Department 11, with a corresponding reduction now occurring in the Trial Court's budget for private court appointed indigent defense counsel.

The Court's requested $421,000 increase is to cover a 3.5 percent increase in the hourly rates paid to private attorneys and investigators, and increased costs for expert witnesses and psychiatric evaluations retained by the private attorneys. The proposed 3.5 percent rate increase would add an estimated $168,333 to provide attorney costs in FY 2001-02. The other proposed cost increases for expert witnesses and psychiatric evaluations would add approximately $450,943 in new costs in FY 2001-02. Together, these two cost increases amount to $619, 276 but part of this increase would be offset by other cost reductions amounting to $198,276, thereby resulting in the Court's requested net increase of $421,000.

Our recommended reduction of $200,000 is based on a reduction of $168,333 to deny the requested 3.5 percent rate increase for private attorneys for FY 2001-02. The private attorneys received rate increases in their hourly rates of approximately 15 percent in FY 2000-01. The increase in private attorney hourly rates awarded in FY 2000-01 did not include an automatic provision for annual increases. Our recommended reduction of $200,000 is also based on a recommended reduction of $31,667 to partially reduce the private attorneys' costs to retain expert witnesses, which are projected to increase by 12.8 percent over last year's originally budgeted amount, and to partially reduce the costs for psychiatric evaluations, which are projected to increase by 52 percent over last year's original budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: CRT Trial Courts

			Position/ Equipment	Number		Amount		
age No.	Object		Number	From	To	From	To	Savings
	032	Utilities This reduction reflects a more current projection of the department's Utilities expenses based on actual expenditures during the second half of the current fiscal year. The resulting $8,340 Utilities budget would still be $3,840 more than the budgeted amount for the current fiscal year.				$21,200	$8,340	$12,860
	ial Courts Services - General Fund Annual Project							
7	06F	Facilities Maintenance Projects This amount represents the annual facilities maintenance allocation from the Capital Improvements Advisory Committee. The requested increase is for the estimated cost of asbestos remediation for Courtroom A at the Hall of Justice. The Court has provided an estimate to the Budget Analyst for this project and has indicated that $13,000 less than the originally requested amount for asbestos remediation will be needed.				56,000	43,000	$13,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CRT Trial Courts

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
		Children's Waiting Room - General Fund Continuing Project						
75	027	Professional & Specialized Services				150,000	150,000*	
		* Reserve a total of $24,000 for the Children's Waiting room project at the courthouse. The Court maintains a contract with the Northern California Service League to operate waiting rooms. The $24,000 represents a 19.1 percent increase to the existing $126,000 contract which is increasing to $150,000. The contract increase is to implement the provisions of the City's Minimum Compensation Ordinance. The Court has not yet provided the contract cost details to implement this Ordinance for FY 2001-02. When the Court does provide the contract cost details pertaining to the Minimum Compensation Ordinance, the Court should then request the Finance Committee to release the amount needed from the $24,000 recommended reserve.						
		Total Recommended Reductions						$225,
		Total Recommended Reserves						$24,

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: DAT DISTRICT ATTORNEY

FINANCIAL DATA:

The District Attorney's proposed $28,174,873 budget for FY 2001-02 is $98,569 or .35 percent more than the original FY 2000-01 budget of $28,076,304. The net decrease from the revised FY 2000-01 budget is $64,012 or .23 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION - CRIMINAL & CIVIL	$ 635,195	$ 635,195	$ 639,156	$ 3,961
CAREER CRIMINAL PROSECUTION	683,518	683,518	689,932	6,414
CHILD ABDUCTION	550,303	550,303	645,983	95,680
FAMILY VIOLENCE PROGRAM	442,182	482,182	447,609	5,427
FELONY PROSECUTION	14,234,915	14,234,915	13,837,192	(397,723)
IPP/SUBPOENA PROGRAM	317,016	317,016	326,549	9,533
MISDEMEANOR PROSECUTION	1,952,317	1,952,317	1,723,776	(228,541)
SUPPORT SERVICES	2,566,511	2,566,511	2,689,622	123,111
WORK ORDERS & GRANTS	6,694,347	6,816,928	7,175,054	480,707
Total Expenditures	$ 28,076,304	$ 28,238,885	$ 28,174,873	$ 98,569
Less: Work Order Recoveries	(2,742,842)	(2,742,842)	(3,104,404)	(361,562)
Net Expenditures	$ 25,333,462	$ 25,496,043	$ 25,070,469	$ (262,993)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 270.76 FTEs, which is 1.61 FTE less than the 272.37 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: DAT DISTRICT ATTORNEY (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION - CRIMINAL & CIVIL	3.56	3.56	3.56	-
CAREER CRIMINAL PROSECUTION	5.78	5.78	5.78	-
CHILD ABDUCTION	5.66	5.66	6.65	0.99
FAMILY VIOLENCE PROGRAM	4.56	4.56	4.36	(0.20)
FELONY PROSECUTION	114.97	114.97	112.97	(2.00)
IPP/SUBPOENA PROGRAM	4.90	4.90	4.90	-
MISDEMEANOR PROSECUTION	20.56	20.56	18.89	(1.67)
SUPPORT SERVICES	40.10	40.10	40.36	0.26
WORK ORDERS & GRANTS	72.28	72.28	73.29	1.01
Totals	272.37	272.37	270.76	(1.61)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1373	Special Assistant XIV	$86,652	923	Manager VI	$90,105
Totals	1			$86,652			$90,105

DEPARTMENT REVENUES

Department revenues have increased by $503,818 or 9.03 percent and General Fund support has decreased by $766,811 or 3.90 percent.

DESCRIPTION

The District Attorney's budget for FY 2001-02 is proposed to increase by $98,569 over the Department's original FY 2000-01 budget. This proposed increase is mainly attributed to an increase in Permanent Salaries due to the proposed addition of one new position, various substitutions, and cost-of-living adjustments and step increases.

Department: DAT DISTRICT ATTORNEY (continued)

One new position will be added in FY 2001-02: The Department is proposing one new 8146 District Attorney Investigator position in FY 2001-02. This investigator will be responsible for functions relating to the Witness Protection and Relocation Program. These functions include facilitating the protection of witnesses in criminal proceedings and evaluating all victim/witness applications for compliance with program criteria and witness eligibility. The full year salary and benefits costs for this new position will be approximately $81,760. For FY 2001-02, the position is funded for 75 percent of the year (.75 FTE) resulting in additional salary and benefits costs of $62,746. The Department has already filled this position and expects temporary funding from the Mayor's Criminal Justice Council to cover the costs of this position during the FY 2001-02 interim budget period.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: DAT - District Attorney

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Misdemeanor Prosecution General Fund Non-Project								
131	001	Permanent Salaries - Misc. * The recommended change in Permanent Salaries - Misc is the total of the following specific modification.				$1,351,532	$1,351,532	*
155		District Attorney's Investigator	8146N	0.75	0.00	49,583	0	$49,583
		District Attorney's Investigator	8146L	0.00	0.75	0	49,583	($49,583

The Department is requesting one new 8146 District Attorney Investigator position to staff their new Witness Protection and Relocation Program. This program is designed to protect witnesses and their families, friends, and associates who are endangered due to ongoing or anticipated testimony. This new Investigator position's responsibilities include evaluating applications of the witnesses and victims and coordinating and sharing information with supporting agencies. The Budget Analyst is recommending the change of this position's status from a new position to a limited tenure position due to uncertainties in the ongoing workload demands of this position. This limited tenure status is recommended until the Department is able to justify that this program requires a full-time Investigator position dedicated to this program.

Total Recommended Reductions $0

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: FIR FIRE DEPARTMENT

FINANCIAL DATA:

The Fire Department's proposed $211,903,537 budget for FY 2001-02 is $9,374,512 or 4.63 percent more than the original FY 2000-01 budget of $202,529,025. The net increase from the revised FY 2000-01 budget is $9,138,525 or 4.51 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION-FIRE DEPARTMENT	$ 13,029,336	$ 13,029,337	$ 10,235,414	$ (2,793,922)
FIRE AIRPORT	8,755,874	8,903,720	9,233,848	477,974
FIRE BUREAU OF TRAINING	12,545,943	12,545,943	12,837,359	291,416
FIRE INVESTIGATION	1,297,545	1,297,545	1,710,765	413,220
FIRE PORT FIREBOAT	1,552,588	1,663,289	1,506,600	(45,988)
FIRE PREVENTION	4,814,737	4,814,737	4,930,818	116,081
FIRE SUPPORT SERVICES	12,115,511	12,115,511	12,011,083	(104,428)
FIRE SUPPRESSION	138,811,938	138,811,938	151,993,075	13,181,137
WORK ORDER SERVICES	4,447,817	4,679,256	5,259,759	811,942
Total Operating Expenditures	$ 197,371,289	$ 197,861,276	$ 209,718,721	$ 12,347,432
Capital Improvements & Fac. Maint.	$ 5,157,736	$ 4,903,736	$ 2,184,816	$ (2,972,920)
Total Expenditures	$ 202,529,025	$ 202,765,012	$ 211,903,537	$ 9,374,512
Less: Work Order Recoveries	(3,776,161)	(4,007,600)	(4,315,448)	(539,287)
Net Expenditures	$ 198,752,864	$ 198,757,412	$ 207,588,089	$ 8,835,225

Department: FIR FIRE DEPARTMENT (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1,908.69 FTEs, which is 45.12 FTEs more than the 1,863.57 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION-FIRE DEPARTMENT	35.37	35.37	33.66	(1.71)
FIRE AIRPORT	92.20	92.20	94.45	2.25
FIRE BUREAU OF TRAINING	107.00	107.00	107.00	-
FIRE INVESTIGATION	13.33	13.33	13.33	-
FIRE PORT FIREBOAT	11.52	11.52	11.52	-
FIRE PREVENTION	51.12	51.12	51.13	0.01
FIRE SUPPORT SERVICES	57.02	57.02	47.01	(10.01)
FIRE SUPPRESSION	1,452.01	1,452.01	1,506.59	54.58
WORK ORDER SERVICES	44.00	44.00	44.00	-
Totals	1,863.57	1,863.57	1,908.69	45.12

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1374	Special Asst. XV	$93,281	0952	Deputy Director II	$96,998
Exempt	1	1374	Special Asst. XV	$93,281	0931	Manager VII	$96,998
Exempt	1	1372	Special Asst. XIII	$80,262	0922	Manager V	$80,262
Totals	3			$266,824			$274,258

Department: FIR FIRE DEPARTMENT (continued)

DEPARTMENT REVENUES

Department revenues have increased by $683,780 or 1.26 percent and General Fund support has increased by $7,719,459 or 5.80 percent.

DESCRIPTION

The proposed total Fire Department budget for FY 2001-02 has increased by $9,374,512. Major changes include:

1. The budget for Salaries and Benefits has increased $11,448,393 or 6.84 percent from $167,478,223 in FY 2000-01 to $178,926,616 in FY 2001-02. Major changes include:

    - Premium pay has increased by $3,198,995 or 28.1 percent from $11,374,616 to $14,573,611.

    - Overtime has increased by $3,385,000 or 38.2 percent from $8,869,828 to $12,254,828.

    - Permanent Salaries, Miscellaneous and Uniform, increased $3,737,175 or 3 percent from $122,754,788 to $126,491,963.

    - Mandatory Fringe Benefits increased $1,120,964 or 5.2 percent from $21,753,400 to $22,874,364. (The increase in Salaries and Benefits includes $2,275,038 in salary and benefit increases that were approved in Memoranda of Understandings before the Mayor transmitted his recommended budget.)

    - The Department's net attrition savings have decreased, resulting in an increase in total salaries, by $2,570,064 or 62.2 percent from $4,133,224 to $1,563,160. In Fire Suppression alone, the decrease in attrition savings, resulting in more salaries for the Department, was $2,588,990 or 80.7 percent from $3,208,260 to $619,270. The resulting increased salaries enable the Department to hire 41.58 additional FTE firefighters and meet the minimum daily staffing requirement of 352 firefighters as specified in the Department's Memorandum of Understanding with Local 798.

    - Positions are budgeted at the top salary step and new hires usually begin at the first step. Step M is a downward adjustment of budgeted salaries to take the effect of new hires at lower salaries into account. The Department's Step M net adjustment has resulted in a decrease of total salaries by $2,569,956 or 44.9 percent from $5,727,862 to $3,157,906 due to the projected hiring of 144 firefighters at the first salary step.

Department: FIR FIRE DEPARTMENT (continued)

2. The Department is increasing Other Current Expenses $385,061 or 53.4 percent from $720,855 to $1,105,916. This will enable the Department to provide for examinations in all classes above H2 Firefighter, allowing for internal promotions and reducing the need for "Like Work, Like Pay" payments in overtime spending.

3. The Department's cost for Hospital, Clinics and Laboratory work has increased by $340,000 or 33.3 percent from $1,021,400 to $1,361,500.

4. Capital Improvements & Facilities Maintenance Project costs have decreased by $2,972,920 or 57.6 percent from $5,157,736 to $2,184,816.

5. The Department's hiring plan for 144 new firefighters for FY 2001-02, based on the number of recruits in each sixteen-week training class, is shown in the table below. The "Planned Start" date represents the date recruits begin active service in the Department following completion of their training. Separations from the Department over the past eight years have averaged 59 per year. However, there has been an average of 70 separations annually during the past five years. Approximately 95 percent of these separations are from the uniformed ranks or about 66 each year over the past five years. The hiring schedule shows that one-half or 72 of the total new hires will be hired in the first six months of the fiscal year and the remaining 72 in the second half. Thus by using the five-year average for separations against the planned 144 new hires on the schedule below yields a net increase for the year of 78 additional firefighters by the end of FY 2001-02 (144 less 66).

SFFD HIRING SCHEDULE FOR 2001-02		
	Number In Class	**Planned Start**
First Class	36	July 2001
Second Class	36	November 2001
Third Class	48	January 2002
Fourth Class	24	March 2002
Total	**144**	

COMMENTS

1. The Budget Analyst is currently in the process of completing a performance audit of the Fire Department, and has conducted a Zero Base Budget review at the direction of the Board of Supervisors. The recommendations that are included in this report were largely formulated during the Zero Base Budget review. The Zero Base Budget review has also identified several management, organizational

Department: FIR FIRE DEPARTMENT (continued)

and policy recommendations that require additional review and discussion with Fire Department management prior to completion. The Budget Analyst intends to complete work on these matters in conjunction with the anticipated completion of the Fire Department performance audit in the Fall of 2001.

2. The Department currently has three exempt Special Assistant positions, all of which are filled. There are two 1374 Special Assistant XVs and one 1372 Special Assistant XIII. The latter and one of the two 1374s were temporary exempt under Charter Section 10.104.18 (not to exceed three years), while the other 1374 was exempt under Charter Section 10.104.6 (non-uniformed deputy heads of departments). The two 1374s are reflected in the FY 2001-02 budget as an 0931 Manager VII, the Department's Human Resources Director, and an 0952 Deputy Director II, the Department's Chief Financial Officer. Both are at the salary of $96,998, which is the 1374 top salary in accordance with the MOU adjustments.

3. The Fire Department has calculated that the Airport may not have fully reimbursed the General Fund for Fire Suppression services provided to the Airport. The Fire Department has calculated such under-reimbursement at approximately $2,000,000 for FY 1999-2000. The Airport previously agreed to reimburse the General Fund for $795,476 of the $2,000,000 in order to partially fund a recent supplemental appropriation for the Fire Department. As of the writing of this report, the Airport and the Fire Department have not yet resolved the issue of additional reimbursements which could total $1,204,524 in new General Fund revenue. Additionally, at the direction of the Finance Committee, the Controller is now working with the Airport and the Fire Department to resolve this issue and to examine the adequacy of Airport reimbursement for prior years.

4. The Mayor's budget provides a total increase of $9,374,512. Our recommended reductions, which total $1,518,077, would still allow an increase of $7,856,435 or 3.88% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi s
Fire Suppression (AEC)								
173	009	Premium Pay Reduce to actual 2000-01 expenditure level adjusted for changes in personnel eligible for premium pay in 2001-02. The Department plans on 144 new hires throughout the year and these personnel will not be eligible for all of the premiums paid to the existing suppression staff. Thus premium pay should be reduced. Our recommendation provides the necessary funds to comply with the Department's hiring plan.				$12,641,804	$12,611,804	$30
173	011	Overtime Reduce Overtime by $600,000. With additional funding in the budget to provide the minimum daily staffing requirement of 352 firefighters for suppression and medical services, the Department will be able to substantially reduce its reliance on Overtime. Therefore, the Budget Analyst recommends a reduction of $600,000 in Overtime based on an analysis of attrition and the Department's uniform staff hiring plan. The Department's Overtime budget for all Divisions for FY 2001-02 has increased by $3,385,000 or 38.2 percent from $8,869,828 to $12,254,828. In Suppression alone, the increase in Overtime is $2,600,000 or 45.9 percent from $5,659,772 to $8,259,772. Our recommended amount of $7,659,772 would still provide the Department with a $2,000,000 increase in Suppression Overtime and an additional increase of $785,000 in Overtime for other Fire Department activities, thereby providing a total increase in Overtime of $2,785,000. * The Budget Analyst ralso recommends that 80 percent of the Overtime budget increase of $2,000,000 for Suppression or $1,600,000 be reserved pending a report to the Board of Supervisors of steps taken by the Department to maintain the fully funded minimum daily staffing requirement of 352 firefighters for suppression and medical services.				8,259,772	7,659,772	600

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
173	013	Mandatory Fringe Benefits Corresponds to reduction in overtime & premium pay.				$17,527,561	$17,518,300	$9,26
Work Order Services (AEH)								
182	06F	Facilities Maintenance Projects - Budget · The Department has provided summaries for $105,000 of costs, projections for two major projects totalling $866,000 and estimates for another $260,000 of emergency repairs for a total requirement of $1,231,000. Furthermore, our recommended amount of $1,231,000 is consistent with actual projected spending for the current fiscal year.				1,784,816	1,231,000	553,81
173	060	Equipment Purchase						
204	060	Triple Combo Pumper Delete one of the four requested Triple Combo Pumper based on the Department's justification.	FC061R	4	3	1,300,000	975,000	325,00
		Total Recommended Reductions						$ 1,518,07
		Total Recommended Reserves						$ 1,600,00

DEPARTMENT: JUV JUVENILE PROBATION

FINANCIAL DATA:

The Juvenile Probation Department's proposed $37,574,267 budget for FY 2001-02 is $2,333,774 or 6.62 percent more than the original FY 2000-01 budget of $35,240,493. The net increase from the revised FY 2000-01 budget is $2,557,524 or 7.30 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
ADMINISTRATION	$ 5,370,423	$ 5,370,423	$ 5,857,047	$ 486,624
CHILDREN'S BASELINE	1,827,925	1,859,845	1,709,411	(118,514)
CHILDREN'S FUND PROGRAMS	-	-	-	-
GRANT SERVICES	37,000	37,000	-	(37,000)
JUVENILE HALL	8,795,909	9,265,709	8,979,106	183,197
LOG CABIN RANCH	2,394,990	2,394,990	2,549,833	154,843
NON-CHILDREN'S FUND PROGRAMS	194,000	194,000	194,000	-
PROBATION SERVICES	10,970,152	10,855,402	10,954,870	(15,282)
Total Operating Expenditures	$ 29,590,399	$ 29,977,369	$ 30,244,267	$ 653,868
Capital Improvements & Fac. Maint.	$ 5,650,094	$ 5,039,374	$ 7,330,000	$ 1,679,906
Total Expenditures	$ 35,240,493	$ 35,016,743	$ 37,574,267	$ 2,333,774
Less: Work Order Recoveries	(557,270)	(587,270)	(587,270)	(30,000)
Net Expenditures	$ 34,683,223	$ 34,429,473	$ 36,986,997	$ 2,303,774

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 311.53 FTEs, which is 1.41 FTE less than the 312.94 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: JUV JUVENILE PROBATION (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	44.76	44.76	46.40	1.64
CHILDREN'S BASELINE	8.63	8.63	6.61	(2.02)
JUVENILE HALL	126.82	126.82	127.30	0.48
LOG CABIN RANCH	29.22	29.22	29.22	-
PROBATION SERVICES	103.51	103.51	102.00	(1.51)
Totals	312.94	312.94	311.53	(1.41)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1372	Special Assistant XIII	$80,571	922	Manager V	$83,781
Totals	1			$80,571			$83,781

DEPARTMENT REVENUES

Department revenues have increased by $516,930 or 7.38 percent and General Fund support has increased by $1,786,844 or 6.50 percent.

DESCRIPTION

The $2,333,774 increase in proposed expenditures compared to the Department's original FY 2000-01 budget is comprised of several components. Major increases include:

- ☐ Permanent Salaries – Miscellaneous, which is proposed to increase by $404,108 due primarily to the addition of one new position, reclassifications, cost-of-living adjustments, and step increases

Department: JUV JUVENILE PROBATION (continued)

- ☐ Buildings, Structures & Improvements, which is proposed to increase by $1,659,906 for the construction of the new Juvenile Hall
- ☐ Services of Other Departments, which is proposed to increase by $262,732 due primarily to energy cost increases from the Bureau of Light Heat and Power and a work order for the City Attorney.

These major increases would be offset primarily by:

- ☐ A $216,844 reduction in Mandatory Fringe Benefits
- ☐ A $120,500 reduction in Training
- ☐ A $96,050 reduction in Other Current Expenses

The Department is proposing one new 8320 Juvenile Hall Counselor to accommodate the increasing number of juveniles requiring transportation services for medical emergencies and appointments. The full year salary and benefits costs for this new position is $63,718. For FY 2001-02, this one new position is funded for 75 percent of the year and additional costs will be $49,217.

The Department's budget includes the substitution of one 1549 Commission Secretary to one 1369 Special Assistant as recommended by the Department of Human Resources, at an increased annual cost of $12,127 in salary and benefits. The Department reports that it will be requesting a further reclassification of the position to a 1544 Commission Secretary position, instead of the 1369 Special Assistant. Based on a review of other Commission Secretary positions, the Budget Analyst recommends this reclassification of the Department's 1549 Secretary position to a 1544 Secretary position.

COMMENT

The Mayor's budget provides an increase of $2,333,774. Our recommended reductions, which total $44,928, would still allow an increase of $2,288,846 or 6.5% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: JUV - Juvenile Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Juvenile Hall - General Fund Non-project								
224	011	Overtime This reduction in the Department's proposed Overtime budget is recommended because the Department is proposing the addition of one new Counselor position in FY 2001-02, which the Budget Analyst is recommending. The proposed new position will provide transportation services which the Department has been providing through the use of overtime.				$169,000	$124,072	$44,928
		Total Recommended Reductions						$44,92

DEPARTMENT: PDR PUBLIC DEFENDER

FINANCIAL DATA:

The Public Defender's proposed $12,714,432 budget for FY 2001-02 is $154,670 or 1.20 percent less than the original FY 2000-01 budget of $12,869,102. The net decrease from the revised FY 2000-01 budget is $330,277 or 2.53 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
Program Expenditures	Original	Revised		
CRIMINAL AND SPECIAL DEFENSE	$ 12,814,079	$ 12,836,545	$ 12,656,658	$ (157,421)
GRANT SERVICES	55,023	208,164	57,774	2,751
Total Expenditures	$ 12,869,102	$ 13,044,709	$ 12,714,432	$ (154,670)
Less: Work Order Recoveries	-	-	(100,000)	(100,000)
Net Expenditures	$ 12,869,102	$ 13,044,709	$ 12,614,432	$ (254,670)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 114.90 FTEs, which is .91 FTE less than the 115.81 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: PDR PUBLIC DEFENDER (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CRIMINAL AND SPECIAL DEFENSE	114.81	114.81	113.90	(0.91)
GRANT SERVICES	1.00	1.00	1.00	-
Totals	115.81	115.81	114.90	(0.91)

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1364	Special Assistant V	$37,584	Filled
Totals	1			$37,584	

DEPARTMENT REVENUES

Department revenues have increased by $ 2,751 or 5 percent and General Fund support has decreased by $257,421 or 2 percent.

DESCRIPTION

The $154,670 decrease in proposed expenditures compared to the Department's original FY 2000-01 budget is comprised of several components:

Increases in the following:

☐ Permanent Salaries – Miscellaneous	$71,573
☐ Mandatory Fringe Benefits	42,960
☐ Other Current Expenses	83,717
☐ Equipment Lease/Purchase – City agency	2,622
	$200,872

Department: PDR PUBLIC DEFENDER (continued)

These increases are offset by decreases in the following:

☐ Equipment Purchase	(64,500)
☐ Equipment Lease Purchase – Option	(31,000)
☐ Services of Other Departments	(260,042)
	($355,542)

Explanations for the cost increases are as follows.

Personnel Costs

New positions are proposed in FY 2001-02: The Department is proposing two new positions in FY 2001-02 to handle an expected increase in drug cases due to voter-approved State Proposition 36, passed in November 2000. These positions are one 8142 Investigator and one 8446 Court Alternative Specialist. The additional full year salary and benefits costs for these new positions will be approximately $151,120. For FY 2001-02, the positions are funded for 75 percent of the year and the additional costs will be $113,340.

Position substitution: The Department is proposing to delete one 1430 Transcriber Typist position and replacing it with one 8171 Law Office Manager. The annual salary and benefits for the Law Office Manager will be $98,178. The annual salary and benefits for the Transcriber Typist will be $57,970, resulting in a net increase in costs of $40,208. This substitution, which the Budget Analyst recommends, would manage the finances and administration for the Office of approximately 115 positions, including 80 attorneys. Currently, there is no office manager for the department to establish and oversee administrative and fiscal processes and policies. Similar Law Office Manager positions are included in the District Attorney's and City Attorney's budgets.

Non-personnel costs

The increase in non-personnel costs is mainly due to a rent increase amounting to $74,808.

Proposition 36

California voters passed the Substance Abuse and Crime Prevention Act (SACPA) of 2000, or Proposition 36, on November 7, 2000. It requires probation and drug treatment in lieu of incarceration for conviction of possession, use, transportation for personal use, or being under the influence of a controlled substance, and related parole violations. State law requires that San Francisco begin providing such treatment services on July 1, 2001. To handle the estimated 1,200 non-violent drug offenders eligible for drug treatment under the SACPA during the first year of the program, the Public Defender's Office has requested two new positions to be funded with State revenue passed through the Department of Public Health. The Budget Analyst is recommending approval of these two new positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: **PDR Public Defender**

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
riminal and Special Defense - General Fund Non-Project								
5	001	Permanent Salaries - Misc. The recommended reduction in Permanent Salaries - Misc. is the total of the following specific reductions regarding individual classifications.				$8,931,240	$8,880,190	*
1		Court Alternative Specialist The Budget Analyst recommends deleting 1.0 FTE 8446 Court Alternative Specialist position. It has been vacant since August 1998, or approximately 2 years and 10 months. The Department currently has two Court Alternative Specialist positions. This recommended reduction will offset the increased costs of the requested new Law Office Manager position which we are recommending be approved.	8446	1.00	0.00	51,050	0	$51,050
2	013	Mandatory Fringe Benefits Corresponds to the reduction in Permanent Salaries.				2,013,906	2,000,522	13,384
		Total Recommended Reductions						$64,434

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

DEPARTMENT: POL - POLICE DEPARTMENT

FINANCIAL DATA:

The Police Department's proposed $277,041,281 budget for FY 2001-02 is $1,045,411 or .38 percent more than the original FY 2000-01 budget of $275,995,870. The net increase from the revised FY 2000-01 budget is $444,784 or .16 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
AIRPORT POLICE	$ 26,969,747	$ 26,969,747	$ 27,868,606	$ 898,859
FINGERPRINT	2,691,500	2,691,500	2,000,000	(691,500)
NARCOTICS FORFEITURE	1,290,004	1,290,004	466,363	(823,641)
OFFICE OF CITIZEN COMPLAINTS	2,568,941	2,568,941	2,636,362	67,421
OPERATIONS AND ADMINISTRATION	44,189,739	44,429,963	39,919,465	(4,270,274)
PATROL	133,310,365	133,804,138	137,389,704	4,079,339
POLICE OPERATIONS	-	-	100,000	100,000
POLICE SERVICES	-	-	110,000	110,000
SAFE CONTRACT	592,314	592,314	615,567	23,253
SENIOR ESCORT SERVICE	1,436,958	1,436,958	1,495,220	58,262
SFPD-INVESTIGATIONS	26,750,642	26,951,714	27,596,936	846,294
SFPD-RECRUITMENT AND EXAMINATION PROGRAM	2,004,771	1,792,771	2,024,739	19,968
SPECIAL INVESTIGATIONS	9,222,753	9,222,753	9,271,800	49,047
SPECIAL OPERATIONS	21,585,829	21,585,829	21,823,876	238,047
TAXI ENFORCEMENT	1,107,000	1,107,000	1,125,000	18,000
VEHICLE THEFT ABATEMENT	150,000	521,331	151,459	1,459
WORK ORDER SERVICES	2,015,307	2,015,307	2,336,184	320,877
Total Operating Expenditures	$ 275,885,870	$ 276,980,270	$ 276,931,281	$ 1,045,411
Capital Improvements & Fac. Maint.	$ 110,000	$ (383,773)	$ 110,000	$ -
Total Expenditures	$ 275,995,870	$ 276,596,497	$ 277,041,281	$ 1,045,411
Less: Work Order Recoveries	(2,126,407)	(2,126,407)	(2,447,284)	(320,877)
Net Expenditures	$ 273,869,463	$ 274,470,090	$ 274,593,997	$ 724,534

Department: POL - POLICE DEPARTMENT (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 2,787.16 FTEs, which is 1.95 FTE more than the 2,785.21 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
PATROL	1,410.39	1,410.39	1,414.67	4.28
AIRPORT POLICE	348.75	348.75	349.00	0.25
FINGERPRINT	-	-	-	-
OFFICE OF CITIZEN COMPLAINTS	29.46	29.46	29.46	-
OPERATIONS AND ADMINISTRATION	253.54	253.54	248.97	(4.57)
POLICE OPERATIONS	-	-	0.50	0.50
POLICE SERVICES	-	-	1.00	1.00
SENIOR ESCORT SERVICE	21.89	21.89	21.89	-
SFPD-INVESTIGATIONS	299.50	299.50	298.53	(0.97)
SFPD-RECRUITMENT AND EXAMINATION PROGRAM	17.00	17.00	17.00	-
SPECIAL INVESTIGATIONS	104.00	104.00	104.00	-
SPECIAL OPERATIONS	272.18	272.18	272.18	-
TAXI ENFORCEMENT	8.50	8.50	9.71	1.21
WORK ORDER SERVICES	20.00	20.00	20.25	0.25
Totals	2,785.21	2,785.21	2,787.16	1.95

DEPARTMENT REVENUES

Department revenues have increased by $2,160,461 or 4.83 percent and General Fund support has increased by $2,334,786 or 1.20 percent.

Department: POL - POLICE DEPARTMENT (continued)

Special Assistant Positions Recommended for Reclassification

The Police Department Budget includes the following proposed classifications of

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	1	1374	Special Asst XV	$ 93,281	1054	Prin Business Analyst	$ 70,287
Provisional	1	1372	Special Asst XIII	80,571	0922	Manager V	83,781
Provisional	1	1364	Special Asst V	47,105	5322	Graphic Artist	47,105
Totals	3			$ 220,957			$ 201,173

Remaining Special Assistant Positions

The following Special Assistant positions remain in the Police Department Budget.

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	2	1371	Special Asst XII	$ 150,860	Filled

DESCRIPTION

1. The following major changes in Police Department budget items account for the increase of in the Police Department's FY 2001-2002 budget:

Object	2000-01 Orig	2001-2002	Increase/Decrease
Miscellaneous Salaries	$ 19,033,127	$ 19,758,926	$ 725,799
Uniform Salaries	157,137,084	156,540,219	(596,865)
Overtime	14,503,501	16,887,575	2,384,074
Fringe Benefits	31,608,091	32,215,419	607,328
Materials and Supplies	4,141,383	4,489,343	347,960
Equipment Purchase	6,627,500	4,911,181	(1,716,319)
Equipment - Lease Payments	2,785,030	2,235,876	(549,154)
Net changes in other Accounts			(157,412)
			$ 1,045,411

Department: POL - POLICE DEPARTMENT (continued)

2. The Police Department's proposed hiring plan for FY 2001-02 would result in the hiring of 170 new Police Officers according to the following schedule:

Date	No of Police Officers Hired
August 6, 2001	42
October 1, 2001	43
January 7, 2002	42
April 15, 2002	43
Total	170

Currently, the Police Department's sworn strength is 2,144 Uniformed Police Officers, not including the 177 Police Officers assigned to the Airport. The Department estimates that attrition in FY 2001-02 will result in the separation of 120 Police Officers. Hence, the Department estimates that, together with the hiring of 170 new Police Officers, their sworn strength at the end of the Fiscal Year will total 2,194 Uniformed Police Officers.

Charter Section 4.127, as amended by Proposition D in 1994, states that the Police Department's sworn staffing should be 1,971 full duty Police Officers. The Police Department estimates that, on average, 197 Police Officers are on modified duty (including an average of 57 on temporary disability) such that they are not "full duty Police Officers". The Police Department's estimated sworn strength of 2,194 Uniformed Police Officers at the completion of FY 2001-02, less the average of 197 Police Officers on modified duty, would result in 1,997 full duty Police Officers.

Police Officer salaries in the Mayor's recommended budget are budgeted at FY 2000-01 levels since the MOU for Police Officers has not yet been approved by the Board of Supervisors. Therefore, the Department's FY 2001-02 budget is significantly understated, as it does not reflect salary and fringe benefit increases. On approval of the Police Officers MOU by the Board of Supervisors, funds for salary increases and related benefits will be transferred from the City's Salary and Benefits reserve to the Police Department's budget.

3. The proposed FY 2001-02 Overtime budget for the entire Police Department is $16,887,575, an increase of $2,384,074 or 16.4 percent over the FY 2000-01 Overtime budget of $14,503,501. The Police Department's proposed General Fund FY 2001-02 Overtime budget of $14,802,705 is $1,950,000 or 15.2 percent more than the FY 2000-01 Overtime budget of $12,852,705. However, the Budget Analyst notes that, as of the pay period ending May 11, 2001, the Police Department's total General Fund overtime spending for FY 2000-01 is projected to be approximately $3,600,000 more than it General Fund overtime appropriation. Therefore, based on current spending, the Police Department's FY 2001-02 General Fund Overtime budget appears to be underfunded by approximately $1,650,000 (the current deficit of $3,600,000 less the increased overtime appropriation of $1,950,000).

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: POL - Police Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
	AC5	Airport Police Program						
286	001	Miscellaneous Salaries * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$6,542,873	$6,322,873	*
323	9991M	Salary Savings - Misc. To adjust Miscellaneous Salary Savings to current year actual expenditure levels plus increases for cost of living and new hires.				(25,162)	(245,162)	220,0
286	002	Uniform Salaries * The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.				14,697,690	13,752,690	*
324	9993U	Attrition Savings Airport Uniform Salaries have been consistently overbudgeted since the Airport Police was merged with the SFPD. This reduction reflects current year spending plus an allowance for new Police Officers even though the Police Hiring Plan does not include new uniform personnel for transfer to the Airport.				0	(945,000)	945,0
286	009	Premium Pay Reduce Premium Pay for Airport Police which has been consistently overbudgeted in prior years to current levels plus an allowance for increased premium earnings by Airport Police Officers.				1,067,765	948,765	119,

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: POL - Police Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
86	013	Mandatory Fringe Benefits Corresponds to reduction in salaries, overtime & premium pay				4,474,784	4,215,491	259,293
	ACM	**Operations and Support Program**						
7	040	Materials and Supplies Department-wide, the proposed General Fund expenditures for Materials and Supplies of $4,080,722 is $511,365 or 14.3 percent more than the FY 2000-01 budget amount of $3,569,357. The proposed reduction of $332,897 would still provide $3,747,825 department-wide expenditures which is $178,468 or 5.0 percent more for Materials and Supplies than the total amount of $3,569,357 budgeted for Materials and Supplies in FY 2000-01. The balance of funds budgeted for Materials and Supplies is in other programs of the Police Department's budget.				3,358,373	3,025,476	332,897
8	081	Services of Other Departments Reserve $1,200,000 budgeted for Police Academy rent payment to Treasure Island pending Board of Supervisors Approval of sublease agreement.				12,184,818	12,184,818 *	
	ACU	**Recruitment and Examination Program**						
39	035	Other Current Expenses $212,000 from this account, for conducting background investigations of new police officer candidates was placed on reserve in FY 2000-2001 and the Police Department did not request release of the reserved funds for this purpose. Reduce to current year budget plus an allowance for cost of living. The reduction of $204,601 would still provide $12,400 more for this account than the budgeted amount for the current fiscal year.				476,250	271,649	204,601

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: POL - Police Department

Page No.	Object ACX	Police Patrol Program	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
314	002	Uniform Salaries * The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.				81,719,567	80,943,167	*
343	9993U	Attrition Savings - Uniform Increase Attrition Savings to adjust Uniform Salaries for the amount needed to fund existing uniform staffing less an allowance for attrition plus new hires planned during FY 2001-2002 and to reflect the transfer of approximately $250,000 in sworn salaries from the General Fund to the Taxi Enforcement Fund.				(3,792,293)	(4,568,693)	776,
314	013	Mandatory Fringe Benefits Corresponds to reduction in salaries,				14,205,491	14,062,705	142,
318		**Traffic Offender Fund**	**PPC033**					
	099	Unappropriated Revenue - Unreserved Special fund vehicle impoundment fee revenue has been budgeted in this account for future expenditures that have not been explained by the Police Department. Reserve $546,915 pending submission of budget details to the Board of Supervisors.				546,915	546,915*	
		Total Recommended Reductions						**$2,999,**
		Total Recommended Reserves						**$1,746,**

DEPARTMENT: SHF SHERIFF

FINANCIAL DATA:

The Sheriff's proposed $96,226,379 budget for FY 2001-02 is $267,078 or 0.28 percent less than the original FY 2000-01 budget of $96,493,457. The net decrease from the revised FY 2000-01 budget is $1,102,278 or 1.13 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ALTERNATIVE PROGRAMS	$ 6,787,505	$ 6,787,505	$ 6,807,854	$ 20,349
BESK CASE	2,522,824	2,522,824	2,497,423	(25,401)
CIVIL ENFORCEMENT	1,999,692	1,999,692	2,028,062	28,370
COUNTY JAIL 8 & 9	20,693,583	20,633,583	16,342,023	(4,351,560)
COURT SECURITY AND PROCESS	6,981,000	6,981,000	7,066,336	85,336
DEPARTMENTAL SERVICES	8,518,801	8,518,801	7,419,597	(1,099,204)
GRANT SERVICES	2,338,064	3,122,672	2,534,573	196,509
HALL OF JUSTICE JAILS	15,662,426	15,662,426	14,644,673	(1,017,753)
JAIL PROGRAMS	1,919,627	1,919,627	1,922,575	2,948
JAIL SERVICES	5,847,755	6,033,255	8,290,123	2,442,368
SAN BRUNO JAILS	16,114,514	16,114,514	18,179,605	2,065,091
SHERIFF ADMINISTRATION	1,593,897	1,593,897	1,300,043	(293,854)
SHF-RECRUITMENT & TRAINING	453,001	453,001	4,977,688	4,524,687
WORK ORDER SERVICES	1,433,769	1,484,361	1,665,804	232,035
Total Operating Expenditures	$ 92,866,458	$ 93,827,158	$ 95,676,379	$ 2,809,921
Capital Improvements & Fac. Maint.	$ 3,626,999	$ 3,501,499	$ 550,000	$ (3,076,999)
Total Expenditures	$ 96,493,457	$ 97,328,657	$ 96,226,379	$ (267,078)
Less: Work Order Recoveries	(8,414,769)	(8,465,361)	(8,732,140)	(317,371)
Net Expenditures	$ 88,078,688	$ 88,863,296	$ 87,494,239	$ (584,449)

Department: SHF SHERIFF (continued)

Major new expenditure changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Permanent Salaries	$47,027,631	$49,221,286	$2,193,655
Overtime	3,837,152	2,075,151	(1,762,001)
Mandatory Fringe Benefits	15,370,393	14,273,775	(1,096,618)
Professional & Specialized Services	6,221,718	6,943,093	721,375
Rents and Leases -- Buildings	52,272	454,029	401,757
Materials & Supplies	7,337,659	7,451,848	114,189
Equipment Purchase	100,814	268,845	168,031
Buildings, Structures & Improvements	3,276,999	200,000	(3,076,999)
Debt Service – San Bruno Jail	0	2,467,892	2,467,892
Miscellaneous Other Changes	4,854,050	4,138,320	(715,730)
Total:	$88,078,688	$87,494,239	($584,449)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 934.35 FTEs, which is 42.36 FTEs more than the 891.99 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ALTERNATIVE PROGRAMS	24.00	24.00	24.00	-
BESK CASE	33.00	33.00	33.00	-
CIVIL ENFORCEMENT	24.06	24.06	24.06	-
COUNTY JAIL 8 & 9	188.68	188.68	188.44	(0.24)
COURT SECURITY AND PROCESS	87.25	87.25	88.00	0.75
DEPARTMENTAL SERVICES	71.39	71.39	65.35	(6.04)
GRANT SERVICES	4.76	4.76	7.77	3.01
HALL OF JUSTICE JAILS	162.77	162.77	163.76	0.99
JAIL PROGRAMS	9.56	9.56	10.56	1.00
JAIL SERVICES	101.00	101.00	95.00	(6.00)
SAN BRUNO JAILS	159.52	159.52	159.41	(0.11)
SHERIFF ADMINISTRATION	12.00	12.00	12.00	-
SHF-RECRUITMENT & TRAINING	-	-	47.00	47.00
WORK ORDER SERVICES	14.00	14.00	16.00	2.00
Totals	891.99	891.99	934.35	42.36

Department: SHF SHERIFF (continued)

The Sheriff's Department has one 1375 Special Assistant XVI, which the Department is proposing to reclassify to a Manager VIII, resulting in a salary increase of $3,998 at top step, from $100,328 to $104,326.

A summary of the Sheriff's Department's budgeted Salaries and Overtime, as well as supplemental appropriations for Overtime, since FY 1999-00 is as follows:

	FY 1999-00	FY 2000-01	FY 2001-02
Salaries	$45,872,661	$47,207,631	$49,221,286
Overtime			
Budgeted Overtime	1,470,614	3,837,152	2,075,151
Supplemental Appropriations	3,304,981	1,487,463	**3,419,982
Subtotal Overtime	$4,775,595	$5,324,615	$5,495,133
Total	**$50,648,256**	**$52,532,246**	**$54,716,419**

** Projected

DESCRIPTION

1. Personnel Cost Changes

New Positions: The budget includes a request for 37.5 new FTEs for FY 2001-02, which would become 38.0 FTEs on a full-year annual basis. The requested new 37.5 FTEs include:

- 35.0 limited-tenure FTE 8302 Deputy Sheriff I positions (70 trainees for six months each) to provide dedicated positions for newly hired Deputies to cover the time they are in their six-month training and are not available for duty, as discussed below.
- One new 8304 Deputy Sheriff (0.75 FTE) to serve as a Courtroom Bailiff at the Hall of Justice. This position will be fully funded by the Trial Courts.
- One new 1426 Senior Clerk Typist for the Civil Investigations unit, which currently employs seven investigators, but has no administrative support.
- One new 1844 Senior Management Assistant in Jail Programs, which oversees all of the Sheriff's Department's Professional Services contracts for Jail Services. The requested new position would replace an existing contract for the services to be provided by the requested new position.

Department: SHF SHERIFF (continued)

A summary of the salary costs associated with the proposed new positions is as follows.

	Classification	# FTE 2001-02	Salary 2001-02	FTE Annualized	Salary Annualized
8302	Deputy Sheriff I (Trainees)	35.0	$1,351,980	35.0	$1,351,980
8304	Deputy Sheriff	0.75	41,988	1.0	55,984
1426	Senior Clerk Typist	0.75	34,073	1.0	45,431
1844	Senior Management Assistant	1.0	67,903	1.0	67,903
	Total:	**37.5**	**$1,495,944**	**38.0**	**$1,521,298**

The Budget Analyst is recommending approval of the three (2.75 FTE) requested new permanent positions and 25 FTE of the requested 35 FTE limited-tenure positions for newly hired Deptuy Sheriff's for six months of training each. The Budget Analyst is recommending disapproval of the remaining 10 FTE limited-tenure positions.

Mandatory Fringe Benefits: Total mandatory fringe benefit costs are budgeted to decrease by $1,096,618, from $15,370,393 to $14,273,775. This decrease is due mainly to a reduction in the required employer contribution to the State Public Employees Retirement System (PERS) for FY 2001-2002.

Full-year funding for new positions added in FY 2000-01: $107,609 in additional costs will be incurred in FY 2001-02 for the first full year of salary and benefits for six new positions added in FY 2000-01.

Overtime: The Department is proposing to decrease its Overtime budget by $1,762,001, or 45.9 percent, from the original budget amount of $3,837,152 in FY 2000-01 to $2,075,151 for FY 2001-02. The Sheriff's Department is proposing this $1,762,001 decrease in Overtime: (a) to transfer $162,001 to Holiday Pay to correct underfunding in that account, and (b) to transfer $1,600,000 to Permanent Salaries and Mandatory Fringe Benefits to create 35.0 FTE new limited-tenure Deputy Sheriff I positions (to cover 70 trainee positions for six months each), which would be filled by new recruits during their six months of training at the Sheriff's Academy before they are assigned to permanent positions.

Since the Budget Analyst's report was issued for the Finance Committee's June 19, 2001 Finance Committee Budget Hearing, we have reviewed our assumptions and adjusted our Overtime projections for the Sheriff's Department. However, our conclusions and recommendations have not changed. In the professional judgement of the Budget Analyst, the Sheriff's Department's request of $2,075,151 in its Overtime budget is totally unrealistic. The Budget Analyst now estimates that total Overtime costs in FY 2001-02 will be $5.5 million, or approximately $3.4 million more than the $2,075,151 amount requested by the Sheriff's Department. Previously, we had projected an underfunded amount of $4 million. Our analysis of Overtime needs for the Sheriff's Department is based on the following facts:

Department: SHF SHERIFF (continued)

(a) In May of 2001, the Sheriff's Department received a supplemental appropriation of $1,487,463, above the Department's original $3,837,152 FY 2000-01 budget for Overtime, to meet the Department's expected Overtime expenditures of approximately $5,324,615 for FY 2000-01. The conditions that contributed to high Overtime expenditures during FY 2000-01 will continue to contribute to overtime costs during FY 2001-02. The Department maintains its policy of filling all of its staffing minimums established by the Department, while attrition rates for uniform staff remain at approximately 10 percent per year, according to Ms. Jean Mariani of the Sheriff's Department. In addition, the Sheriff's Department has had difficulty recruiting to fill vacant Deputy Sheriff positions. The new Deputy Sheriffs that are hired to fill vacant positions first attend six months of training, which requires the Sheriff's Department to backfill vacant positions with Overtime.

(b) The Sheriff's Department's request for 35.0 FTE (70 trainees for six months each) limited-tenure positions for training new Deputy Sheriffs is an effort to reduce Overtime expenditures. In an ideal situation, approximately 70 new Deputy Sheriffs would be recruited annually, enter into one of the requested limited-tenure positions for their six months of training, and then be placed permanently into a recently vacated permanent position. Recruitment would coincide with attrition patterns so that permanent positions would not have to be backfilled with Overtime during the six-month period new recruits are in training. The requested new 35 FTE positions would result in a net cost increase in Salaries, Mandatory Fringe Benefits and training materials.

The Budget Analyst agrees with the creation of new limited-tenure training positions to distinguish clearly between training positions and permanent positions needed to meet the Sheriff's Department's permanent staffing needs. Also, if the Department can reduce attrition and increase recruitment, the new limited-tenure training positions will reduce the Department's need to backfill vacant positions with Overtime, and over the long term (two to three years), result in lower costs. However, significant improvements are highly unlikely during FY 2001-02. The Department will continue to backfill existing vacant positions while new recruits are in training, given the Sheriff's Department's existing 28 vacancies for uniform staff and the annual uniform staff attrition rate of approximately 10 percent. Furthermore, based on recruitment information provided by the Sheriff's Department, the Sheriff's Department will not be able to recruit and train the full 70 new Deputy Sheriffs (35 FTE for six months of training each) during FY 2001-02. Therefore, the Budget Analyst recommends reducing the number of requested limited-tenure Deputy Sheriff training positions by 10 FTE, from 35 FTE (70 recruits) to 25 FTE (55 new Deputy Sheriff recruits, since during FY 2001-02 approximately 40 recruits would be in training from mid-February through June, and then continue training into the next fiscal year). The corresponding $259,024 reduction in Salaries ($185,503) and Benefits ($73,521) would still provide funding to backfill with Overtime the vacant permanent positions that the Sheriff's Department's had hoped to fill with new hires.

Department: SHF SHERIFF (continued)

(c) Based on the recent increase in funding for Budget Analyst Services, the Budget Analyst's Office completed an analysis of staffing patterns at the Sheriff's Department, which found that the Sheriff's Department would need an estimated additional 86.5 FTE permanent positions to be able to meet the minimum staffing levels established by the Department, including 81.59 Deputy Sheriffs and 4.91 FTE Sheriff's Cadets. The 81.59 FTE Deputy Sheriff positions would include both filling current vacancies and hiring new Deputy Sheriff positions in addition to the Sheriff's Department's current uniform staff of 811 FTE. Alternatively, this figure of 86.5 FTE can be interpreted as the number of Deputy Sheriffs and Sheriff's Cadets that must work overtime, at the rate of one and one half times the hourly wage, to meet minimum staffing levels, accounting for breaks, lunch, and various types of leave, such as vacation and compensatory time off. Therefore, the on-going deficiency of 86.5 FTE positions would continue to result in Department Overtime costs, even if the Sheriff's Department were able to fill all of its current vacancies and reduce attrition for its currently authorized staffing level. It should be noted that this staffing analysis used the Department's minimum staffing requirements and did not evaluate whether such staffing minimums are actually appropriate for the Department. In addition, the Budget Analyst notes that the Sheriff's Department chooses to operate without filling all of the positions it currently has in its jails. A comparison between budgeted positions and actual staffing showed that the Sheriff's Department has shifted positions away from the jails and into other functions including City Hall security and administrative areas, such as training, recruiting and completing background checks on applicants. Moving positions out of the jails and into administration contributes to the shortfall in jail staff and resulting Overtime costs.

Based on the reasons presented above and an analysis of Overtime expenditures, the Budget Analyst estimates total Overtime expenditures at the Sheriff's Department for FY 2001-02 will be $5,495,133, including $3,450,995 in General Fund supported Overtime costs. Given the requested budget amount of $2,075,151, the Sheriff's Department can be expected to return to the Board of Supervisors for a supplemental appropriation to fund their projected annual deficit of $3,419,982 in Overtime costs.

In the professional judgment of the Budget Analyst, the Sheriff's Department should not have requested such an unrealistic Overtime budget. The Sheriff's Department has indicated that the Budget Analyst is cutting Salaries and Mandatory Fringe Benefits, even though the Budget Analyst has concluded that the Sheriff's Department's Overtime budget is underfunded. It is the responsibility of the Budget Analyst to review the Sheriff's Department's budget as it was submitted by the Mayor and, at the same time, make a full disclosure of the facts. The Sheriff's Department should separately justify its need, if and when it occurs, for additional Overtime funds in the form of a supplemental appropriation request to the Board of Supervisors, in the same manner as any other department that may require additional funds beyond what the Mayor has recommended in their FY 2001-02 budgets.

Department: SHF SHERIFF (continued)

As stated previously, our office has completed an analysis that projects an Overtime deficit for the Sheriff of $3,419,982, based upon the Department's stated minimum staffing needs and Overtime spending in past years. The Sheriff's Department has projected an Overtime deficit of $687,377 during FY 2001-02, for which the Sheriff's Department has stated it will likely return to the Board of Supervisors to request a supplemental appropriation. The Department further argues that the Budget Analyst's recommended reductions of $259,024 in Salaries and Mandatory Fringe Benefits would increase the Departments projected Overtime deficit to $946,401 ($687,377 plus $259,024). However, the Sheriff's Department has refused to provide in writing a representation that the Department will not return to the Board of Supervisors for a supplemental appropriation request above $946,401, stating that it is difficult to project the Department's Overtime at this time. Furthermore, despite the Finance Committee's request, the Sheriff has declined, as of the writing of this report, to revise his projected Overtime deficit of $687,377.

2. Non-Personnel Cost Changes

Non-personnel cost increases include: (a) Equipment Purchases, which are increasing by $168,031, or 167 percent, from $100,814 to $268,845. The Sheriff's Department plans to replace six vans, three of which are 15-year old vans, three sedans and one wheelchair-accessible van; (b) Professional and Specialized Services are increasing by $721,375, of which $170,000 is for expanded recruitment, hiring and related background checks, $280,000 is for testing of applicants for the Sheriffs Academy and promotive ranks, previously funded with grant funds in FY 1999-00 and FY 2000-01, with the remaining $271,375 of the increase for grant-funded programs; and, (c) Rents and Leases have increased by $401,757 to fund increased rent paid to the Division of Real Estate for space at 555 7th Street. The Sheriff's Department's budget also includes a decrease of $3,076,999 for a one time allocation in FY 2000-01 to build an exercise facility for inmates at the Sheriff's facility at 425 Seventh Street. Ms. Mariani advises that construction on the new exercise facility is expected to begin in late Summer of 2001 and be completed approximately in February of 2003.

3. San Bruno Jail Replacement Project

The Sheriff's Department's budget includes $2,467,892 to fund the first year of debt service for the San Bruno Jail No. 3 replacement project, financed with Certificates of Participation. Ms. Mariani advises that construction for the replacement project will begin in August of 2001 and continue for approximately 42 months, or until January of 2005. The total cost of the replacement project, including design and construction, is expected to be $132,200,582. In FY 2002-03, debt service payments will increase by $2,429,122 to $4,897,014.

Department: SHF SHERIFF (continued)

DEPARTMENT REVENUES

Department revenues have decreased by $1,698,397 or 25.35 percent and General Fund support has increased by $913,948 or 1.10 percent. However, excluding a decrease of $1,901,405 in transfers from special revenue fund balances, fee-generated revenues have increased by $203,008, or 4.2 percent, from $4,797,065 to $5,000,073.

COMMENTS

1. During the June 19, 2001 Finance Committee Budget Hearing, the Sheriff stated that he wanted to see the Budget Analyst's report on staffing and Overtime in the Sheriff's Department. This report to the Finance Committee is our report on staffing and Overtime in the Sheriff's Department. Additionally, we have provided the Sheriff's Department with copies of all of our working papers and analysis supporting the conclusions in this report to the Finance Committee.

2. Although the Department's budget has decreased overall primarily due to a reduction of $3,076,999 in Capital and Facilities Maintenance, the Mayor's operating budget provides an increase of $2,809,921. Our recommended reductions, which total $323,826, would still allow an increase of $2,486,095 or 2.7 percent in the Department's operating budget.

epartment: SHF - Sheriff

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
rant Services								
380	001	Permanent Salaries - Misc.				$65,870	$64,190	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
11	001	Admin. Services Manager	1827G	1.00	0.00	69,583	0	69,583
		Senior Management Asst.	1844G	0.00	1.00	0	67,903	-67,903
		Reclassify requested grant-funded position based on recommendation by the Department of Human Resources.						
81	013	Mandatory Fringe Benefits				47,806	47,554	252
		Corresponds to reduction in salaries.						
cruitment & Training								
96	002	Permanent Salaries-Uniform				2,089,253	1,903,750	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: SHF - Sheriff

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
420	002	Deputy Sheriff I Reduce requested new 35 FTE limited-tenure Deputy Sheriff I positions by 10 FTE. The Sheriff's Department requested the 35 FTE (70 trainees for six months each) to create dedicated positions for newly hired Deputies while they are assigned to six months of training at the Sheriff's Academy. However, based on recruitment information provided by the Sheriff's Department, the Sheriff's Department will not be able to recruit and train the full 70 new Deputy Sheriffs (35 FTE for six months of training each) during FY 2001-02. The proposed reduction in Salaries ($185,503) and, as shown below, the corresponding reductions in Mandatory Fringe Benefits ($73,521) and Materials and Supplies ($16,870) represent the incremental cost of training a new Deputy Sheriff I for a vacant positions versus backfilling the vacant position with Overtime. Therefore, the proposed reductions would still provide funding to the Sheriff's Department to backfill with Overtime the vacant 10 FTE positions that would have otherwise been filled with new hires if the Sheriff's Department were able to recruit them.	8302L	35.00	25.00	$1,351,980	$1,166,477	$185,
396	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				651,147	577,626	73,
396	027	Professional & Specialized Services To reduce request to actual amount needed by the Sheriff's Department.				450,000	442,000	8,
396	040	Materials and Supplies Reduce equipment and training supplies for each of the requested limited tenure 10 FTE Deputy Sheriff I positions that the Budget Analyst recommends disapproving, as shown above.				300,000	283,130	16,
Sheriff State Special Revenue Fund								
400	035	Other Current Expenses To reduce request to actual amount needed by the Sheriff's Department.				88,000	50,000	38,
		Total Recommended Reductions						$323,
		Total Recommended Reserves						0

City and County of San Francisco
Meeting Minutes
Finance Committee

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, June 27, 2001 **11:00 AM** **City Hall, Legislative Chamber, Second Floor**

Budget Review Hearings

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 11:11 a.m.

011044 **[Budget Hearing and Review, FY 2001-2002]**

Hearing to consider the Annual Budget for Human Welfare and Neighborhood Development; Community Health.

Municipal Transportation Agency
(Human Welfare and Neighborhood Development: Commission Adult and Aging; Child Support Services Department; Children and Families Commission; Children, Youth & Their Families; Human Services; Environment; Human Rights Commission; Rent Arbitration Board; Department on the Status of Women.)

(Community Health - Department of Public Health: Public Health-Community Health Network; Public Health-Public Health.)

(Board of Appeals)

(Companion to File 011040.)

6/1/01, RECEIVED AND ASSIGNED to Finance Committee. Scheduled for consideration on June 20, 2001, at 1:00 p.m.

6/20/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Sandra Nathan, Executive Director, Department of Aging and Adult Services; Deborah Alvarez, Director, Department of Children, Youth and Their Families; Julie Brenman, Director of Planning and Budget, Department of Human Services; Steve Kawa, Mayor's Office; Supervisor McGoldrick; Daniel Kim, Budget/Legislative Affairs Manager, Department of Human Services; Edward Harrington, Controller; David Assamann, Deputy Director, Department of the Environment; Virginia Harmon, Interim Director, Human Rights Commission; Joseph Grubb, Executive Director, Rent Stabilization and Arbitration Board; Rosario Navarette, Interim Executive Director, Department on the Status of Women; Robert Feldman, Executive Secretary, Board of Appeals; Dr. Mitchell Katz, Director, Department of Public Health; Ken Bruce, Budget Analyst's Office.
Continued to June 27, 2001.

Heard in Committee. Speakers: Michael Burns, Director, Municipal Transportation Agency; Director, Child Support Serices Department; Rick Spear, Executive Director, Children and Families Commissionl; Harvey Rose, Budget Analyst; John Clark, Deputy Director, Aging and Adult Services; Deborah Alvarez, Director, Department of Children, Youth and Their Families; Edward Harrington, Controller; Trent Rhorer, Executive Director, Department of Human Services; Representative, Budget Analyst's Office; David Assaman, Deputy Director, Department of the Environment; Virginia Harmon, Executive Director, Human Rights Commission; Joseph Grubb, Executive Director, Rent Stabilization and Arbitration Board; Rosario Navarette, Interim Executive Director, Department on the Status of Women; Dr. Mitchell Katz, Director, Department of Public Health; Ken Bruce, Budget Analyst's Office; Monique Zmuda, Chief Financial Officer, Department of Public Health.
Meeting recessed to June 28, 2001, at 11:00 a.m.

MEETING RECESSED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting recessed at 1:30 p.m. to reconvene on June 28, 2001, at 11:00 a.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

10.25
7
27/01

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

DOCUMENTS DEPT.
JUN 28 2001
SAN FRANCISCO
PUBLIC LIBRARY

June 25, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2001-2002 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Finance Committee budget review.

Finance Committee Budget Review - June 27, 2001, 11:00 a.m.

Page

Human Welfare and Neighborhood Development

AGE Adult and Aging Services 1
CHF Children, Youth & Families 12
DSS Human Services 18
ENV Environment 33
HRC Human Rights Commission 38
RNT Rent Arbitration Board 40
WOM Department on the Status of Women 43

Community Health - Department of Public Health

HCN Community Health Network 45
HPH Public Health 58

Harvey M. Rose

cc: Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
President Ammiano
Supervisor Daly
Supervisor Hall
Supervisor Maxwell
Supervisor McGoldrick
Supervisor Newsom
Supervisor Sandoval
Supervisor Yee
Clerk of the Board
Controller
Steve Kawa

BOARD OF SUPERVISORS
BUDGET ANALYST

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: AGE ADULT AND AGING SERVICES

FINANCIAL DATA:

The Department of Adult and Aging Services proposed $27,960,720 budget for FY 2001-02 is $4,361,224 or 18.48 percent more than the original FY 2000-01 budget of $23,599,496. The net increase from the revised FY 2000-01 budget is $2,090,758 or 8.08 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ACCESS TO SERVICES	$ 1,671,891	$ 1,671,891	$ 2,405,130	$ 733,239
ADMINISTRATION	109,226	109,226	1,787,740	1,678,514
ADULT SERVICES	-	-	3,403,262	3,403,262
COMMISSION ON THE AGING	1,941,306	1,941,306	1,338,413	(602,893)
COUNTY VETERANS SERVICES	256,068	256,068	287,410	31,342
MENTAL HEALTH CONSERVATOR SERVICES	1,536,922	1,536,922	1,669,611	132,689
PUBLIC ADMINISTRATOR/GUARDIAN	4,157,978	4,157,978	3,777,709	(380,269)
SENIOR CENTRAL DEVELOPMENT	1,500,372	3,500,372	1,484,314	(16,058)
SENIORS INDEPENDENT	7,473,258	7,743,724	6,800,980	(672,278)
SERVICES TO FRAIL ELDERS	4,952,475	4,952,475	5,006,151	53,676
Total Expenditures	$ 23,599,496	$ 25,869,962	$ 27,960,720	$ 4,361,224
Less: Work Order Recoveries	(171,627)	(171,627)	(3,501,889)	(3,330,262)
Net Expenditures	$ 23,427,869	$ 25,698,335	$ 24,458,831	$ 1,030,962

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 115 FTEs, which is 25.95 FTEs more than the 89.05 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: AGE ADULT AND AGING SERVICES **(continued)**

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ACCESS TO SERVICES	2.80	2.80	2.80	-
ADMINISTRATION	0.80	0.80	11.24	10.44
ADULT SERVICES	-	-	21.60	21.60
COMMISSION ON THE AGING	17.12	17.12	10.98	(6.14)
COUNTY VETERANS SERVICES	3.00	3.00	3.11	0.11
MENTAL HEALTH CONSERVATOR SERVICES	18.50	18.50	19.77	1.27
PUBLIC ADMINISTRATOR/GUARDIAN	46.83	46.83	45.50	(1.33)
Totals	89.05	89.05	115.00	25.95

SPECIAL ASSISTANT POSITIONS:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1377	Special Assistant XVIII	$116,119	962	Department Head II	$128,996
Totals	1			$116,119			$128,996

Remaining Special Asssistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1368	Special Assistant IX	$60,709	Filled
Totals	1			$ 60,709	

Department: AGE ADULT AND AGING SERVICES (continued)

DEPARTMENT REVENUES

Department revenues have increased by $1,936,227 or 10.72 percent and General Fund support has decreased by $905,265 or 16.90 percent. The Department's main sources of revenue include State and Federal grants, Public Administrator fees, and Parking Tax revenues, which is estimated to provide the Department with $11,674,000 for FY 2001-02. Actual revenues are projected to increase in FY 2001-02, though at a slower rate, than is projected for FY 2000-01. This is due to a weaker economy and a possible withdrawal of $8,000,000 from the Public Administrator-Guardian program's trust fund, from which the Department earns interest.

DESCRIPTION

In FY 2000-01, a new Department of Aging and Adult Services was created by combining the Public Administrator Public Guardian (formerly part of Administrative Services), the Mental Health Conservator (formerly part of the Department of Public Health) and the Commission on Aging.

The $4,361,224 increase in the Department of Aging and Adult Services' FY 2001-02 budget is primarily due to the Department now transferring the Adult (Protective) Services program from the Department of Human Services (DHS). The FY 2001-02 budget for Adult Services reflects an additional $3,403,262 for this transferred program. Adult Services has 21.60 FTE positions, at a salary cost of $1,452,026, including 18.1 FTE positions, which have been transferred from DHS, and 3.5 new FTE positions that are being requested for that program. Since the Department will not officially take over Adult Services until January 2002, each position has been budgeted at 0.50 FTE.

Another significant change in the budget is for Rents and Leases of Buildings and Structures, which increased by $267,793 from the FY 2000-01 original budget. This increase is the result of the relocation of the Public Administrator-Guardian (formerly at 875 Stevenson St.) and the Mental Health Conservator (formerly at 1380 Howard St.) to office space at 1650 Mission St., where Adult Services is already located. The Department plans to relocate County Veterans Services (now at 875 Stevenson St.) and the other remaining divisions (now at 25 Van Ness Ave.) to the Mission St. location in FY 2002-03.

The balance of the cost increase is due to salaries and related fringe benefit increases, resulting from five upward substitutions and one new position for the Administration Division. The Department is also proposing structural changes that would transfer various functions and positions from separate program budgets to the Administration Division's budget and a corresponding decrease in the other program budgets. The result is an increase in the Administration Division's budget of $1,678,514 from the original $109,226. 9.25 FTE positions have been reassigned to this program, mainly from the Commission on Aging and Public Administrator-Guardian programs. To offset this increase, the Commission on Aging budget has decreased by $602,893 and the Public Administrator-Guardian decreased by $380,269.

Finally, the Access to Services program is increasing, while the Seniors Independent program is decreasing because MUNI paratransit costs of $666,931 were transferred between programs. The other cost differences in these two programs reflect changes in grant allocations.

Department: AGE ADULT AND AGING SERVICES **(continued)**

COMMENT

The Mayor's budget provides an increase of $4,361,224. Our recommended reductions, which total $330,687, would still allow an increase of $4,030,537 or 17.08% in the Department's budget.

epartment: AGE - Adult and Aging Services

Page No. ID	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		Access to Services						
1891	001	Permanent Salaries - Misc				$134,771	$134,771	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
904		Health Worker III	2587A	3.00	0.00	148,366	0	148,366
		Health Worker III	2587G	0.00	3.00	0	148,366	(148,366)
		Change the 2587A classification to a 2587G to indicate that the three Health Worker III positions in the budget are ongoing grant-funded positions. These three positions are supported by Federal government grant funds from Title III of the Older Americans Act allocated through the State Department of Aging.						
IA		Administration						
134	001	Permanent Salaries - Misc				$714,653	$705,497	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
3	9993M	Attrition Savings - Misc		(0.47)		(30,000)	(39,156)	9,156
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 1823 Senior Administrative Analyst to one 1373 Special Assistant XIV in December of 2000, which resulted in increased salary and fringe benefit costs during the current year, without budgetary approval of the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled 1373 Special Assistant XIV position at the higher salary and fringe benefit cost, but will offset the additional expenditures for the Department for the seven month period (December of 2000 through June of 2001) because of this increase in Attrition Savings.						

Department: **AGE - Adult and Aging Services**

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Saving
1884	013	Mandatory Fringe Benefits				178,130	175,935	2,1
		Corresponds to the reduction in Permanent Salaries - Misc.						
1884	060	Equipment Purchase				189,000	140,000	*
		* The recommended reduction in equipment purchase is the total of the following specific recommendations.						
1912	AG002	Cars - Replacement		9.00	6.00	189,000	140,000	49,0
		Reduce the requested nine replacement vehicles by three vehicles to six vehicles. Fund the recommended six replacement vehicles based on the actual estimates provided by the Purchaser's Office for one pickup truck and five compact sedans. The Department currently has a total of 15 vehicles.						
CIF		Commission on the Aging						
1895	001	Permanent Salaries-Misc				694,575	679,185	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

epartment: **AGE - Adult and Aging Services**

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
905	9993M	Attrition Savings - Misc				(72,451)	(87,841)	15,390
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 2985 Deputy Director, Commission on the Aging to one 1375 Special Assistant XVI in September of 2000, which resulted in increased salary and fringe benefit costs during the current year, without budgetary approval of the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled 1375 Special Assistant XVI position at the higher salary and fringe benefit cost, but will offset the additional expenditures for the Department for the nine month period (September of 2000 through June of 2001) because of this increase in Attrition Savings.						
95	013	Mandatory Fringe Benefits				169,571	165,887	3,684
		Corresponds to the reduction in Permanent Salaries - Misc.						
95	035	Other Current Expenses				23,968	13,968	10,000
		Reduce to reflect that the actual expense associated with belonging to the Bay Area Emergeny Perparedness Coalition is $5,000. The proposed budget includes $15,000 for this purpose, which can therefore be reduced by $10,000, without any change in service levels requested.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: AGE - Adult and Aging Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
CIJ		County Veterans Services						
1900	005	Temporary Salaries - Misc				5,000	0	5,00
		Eliminate Temporary Salaries because three existing Division personnel can provide related support services. In FY 2000-01, no funds were budgeted for Temporary Salaries, such that this would be a new expense for the Division.						
1900	013	Mandatory Fringe Benefits				43,753	43,370	38
		Corresponds to the reduction in Temporary Salaries - Misc.						
CIK		Mental Health Conservator Services						
1901	001	Permanent Salaries - Misc				1,240,750	1,234,407	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						

epartment: AGE - Adult and Aging Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1910	9993M	Attrition Savings - Misc				(20,514)	(24,504)	3,990
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 2588 Health Worker IV to one 2930 Mental Health Clinician in January of 2001, which resulted in increased salary and fringe benefit costs during the current year, without budgetary approval of the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled 2930 Mental Health Clinician position at the higher salary and fringe benefit cost, but will offset the additional expenditures for the Department for the five month period (February of 2001 through June of 2001) because of this increase in Attrition Savings.						
910		Human Services Program Manager	2969	1.00	0.00	89,001	0	89,001
		Human Services Section Manager	2948	0.00	1.00	0	86,648	(86,648)
		The requested 2969 Human Services Program Manager should be changed to a 2948 Human Services Section Manager, in accordance with DHR's recommendation.						
101	013	Mandatory Fringe Benefits				305,559	304,240	1,319
		Corresponds to the reduction in Permanent Salaries - Misc.						

Department: AGE - Adult and Aging Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1901	040	Materials & Supplies Budget				70,629	53,899	16,730

Reduce to reflect a deletion in funds requested for the purchase of 16 new computers and three new printers. The recommended amount will allow for the purchase of 10 new computers, instead of 16 computers ($2,015 each) and one new printer, instead of three printers ($2,320). Computers can be shared by employees, who spend much of their time in the field.

CIL **Adult Services**

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1902	001	Permanent Salaries - Misc				1,452,026	1,280,580	*

* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1911		Protective Services Worker	2940N	2.50	0.00	171,446	0	171,446

Disapprove 2.5 FTEs, which represent five requested new 2940 Protective Services Worker postions on an annualized basis. These positions are included in the Adult and Aging Services budget from January 1, 2002 through June 30, 2002. These positions are proposed to be transferred from the Department of Human Services (DHS) on January 1, 2002. The DHS budget includes 1.25 FTEs, which represent these same five new 2940 Protective Services Worker positions for the period from October 1, 2001 through December 31, 2001. The total number of FTEs, including DHS and the Department of Adult and Aging Services are 3.75 FTEs, representing five new positions. Currently, DHS has six vacant 2940 Protective Service Worker positions in Adult Protective positions in Adult Protective Services out of 30 budgeted 2904 positions, resulting in a vacancy rate of 20%. These vacancies should be filled before these requested new positions are added. However, the Budget Analyst is recommending approval of one new 2904 Human Services Technician position and one new 2912 Senior Social Worker position for Adult Protective Services. In total, the Budget Analyst is recommending 1.75 FTE of the 4.25 FTE requested new positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: AGE - Adult and Aging Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
02	013	Mandatory Fringe Benefits				350,108	310,067	40,041
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Total Recommended Reductions						$330,687

DEPARTMENT: CHF CHILDREN, YOUTH AND THEIR FAMILIES

FINANCIAL DATA:

The Department of Children, Youth and Their Families proposed $35,322,588 budget for FY 2001-02 is $5,249,269 or 17.45 percent more than the original FY 2000-01 budget of $30,073,319. The net increase from the revised FY 2000-01 budget is $5,439,002 or 18.2 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CHILDREN'S BASELINE	$ 6,781,089	$ 6,876,861	$ 7,642,592	$ 861,503
CHILDREN'S FUND PROGRAMS	20,285,895	20,285,895	23,883,497	3,597,602
NON-CHILDREN'S FUND PROGRAMS	3,006,335	2,720,830	3,796,499	790,164
Total Expenditures	$ 30,073,319	$ 29,883,586	$ 35,322,588	$ 5,249,269
Less: Work Order Recoveries	(2,409,010)	(2,319,277)	(2,710,382)	(301,372)
Net Expenditures	$ 27,664,309	$ 27,564,309	$ 32,612,206	$ 4,947,897

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 33.2 FTEs, which is 5.52 FTEs more than the 27.68 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CHILDREN'S BASELINE	7.00	7.00	7.00	-
CHILDREN'S FUND PROGRAMS	17.68	17.68	21.20	3.52
NON-CHILDREN'S FUND PROGRAMS	3.00	3.00	5.00	2.00
Totals	27.68	27.68	33.20	5.52

Department: CHF CHIDREN, YOUTH AND THEIR FAMILIES (continued)

SPECIAL ASSISTANT POSITIONS

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1363	S.A. IV	$42,334	1365	S.A. VI	$48,729
Exempt	1	1364	S.A. V	45,518	1365	S.A. VI	48,729
Exempt	1	1366	S.A. VII	52,435	1369	S.A. X	65,615
Exempt	1	1367	S.A. VIII	56,402	1368	S.A. IX	60,709
Exempt	1	1367	S.A. VIII	56,402	1369	S.A. X	65,615
Exempt	3	1373	S.A. XIV	90,105	0923	Manager VI	90,105
Exempt	1	1380	S.A. XXI	146,475	0962	Dept. Head II	146,475
Totals	9			$669,881			$706,187

Remaining Special Asssistant Positions

CAQ - Non-Children's Fund Programs

Exempt/ Provisional	Count	Class	Title	Salary	Filled/ Vacant
Exempt	1	1365	S.A. V	$48,729	New Grant-Funded
Declared Permanent	1	1369	S.A. X	65,615	Filled
Exempt	1	1371	S.A. XII	75,951	New Grant-Funded
Totals	3			$190,295	

CBI - Children's Fund Programs

Exempt/ Provisional	Count	Class	Title	Salary	Filled/Vacant
Exempt	1	1363	S.A. IV	$42,334	Filled
Exempt	2	1364	S.A. V	45,519	New
Exempt	1	1365	S.A. V	48,729	Filled
Declared Permanent	1	1366	S.A. VII	52,435	New
Exempt	2	1366	S.A. VII	52,435	Filled
Exempt	3	1367	S.A. VIII	56,402	Filled
Exempt	1	1368	S.A. IX	60,709	New
Exempt	2	1370	S.A. XI	70,627	Filled
Exempt	2	1371	S.A. XII	75,951	Filled
Exempt	1	1371	S.A. XII	75,951	New
Totals	16			$938,428	

Department: CHF CHIDREN. YOUTH AND THEIR FAMILIES (continued)

FAL - Children's Baseline

Exempt/ Provisional	Count	Class	Title	Salary	Filled/Vacant
Declared					
Permanent	1	1361	S.A. II	$36,644	Filled
Exempt	1	1363	S.A. IV	42,334	Filled
Exempt	2	1366	S.A. VII	52,435	Filled
Exempt	1	1371	S.A. XII	75,951	Filled
Totals	5			$259,799	

For FY 2001-02 the Department of Children, Youth and Their Families is proposing reclassifying 3.0 1373 Special Assistant VII positions to become 3.0 0923 Manager IVs and 1.0 1380 Special Assistant XXI position to become 1.0 1241 Department Head II. These conversions are cost neutral. Children, Youth and Their Families is working with the Department of Human Resources (HRD) to conduct a classification study for all Special Assistant positions. The Department expects to receive recommendations on conversion into Civil Service positions from HRD in June 2001.

DEPARTMENT REVENUES

Department revenues have increased by $4,687,602, or 23.11 percent and General Fund support has increased by $260,295 or 3.50 percent compared to the FY 2000-01 budget. The majority of the increase in revenue is due to an increase of $3,597,602 from the Children's Fund, a Charter-mandated Property Tax set aside (Unallocated General Property Taxes). The monies in the Children's Fund, which total $23,883,497, have been set aside for specific program purposes in accordance with the City Charter. Proposition D, which was approved on November 7, 2000, extended the current Children's Fund for an additional 15 years, beyond the current expiration date of June 30, 2001.

In addition, Proposition D designated a new Baseline, the level for City-wide appropriation for children's services, which requires the City to annually appropriate General Fund revenues to children's services that are equal to the percentage amount of General Fund revenues appropriated in FY 2000-01. For FY 2001-02 the total required City-wide appropriation for the Children's Baseline is approximately $74,317,000. However, the Controller's Office reports that the actual amount included in the FY 2001-02 budget is $78,377,000, or $4,060,000 more of primarily General Fund revenues than required by the City's Charter. Therefore, reductions to Baseline expenditures included in the Children, Youth and Their Families' proposed budget can be counted as General Fund savings.

Department: CHF CHIDREN, YOUTH AND THEIR FAMILIES (continued)

DESCRIPTION

The significant changes in the proposed budget for Children, Youth and Their Families include: (1) a $4,261,472 increase for the City Grant Programs; and (2) a $521,677 increase for Services of Other Departments, which results primarily from increased costs for the Department of Telecommunications and Information Services, and MOU-related increases for staff in work order departments.

Children, Youth and Their Families' proposed FY 2001-02 budget includes 5.75 Full-Time Equivalent (FTE) new positions, including the following:

- 1.50 FTE – 1364 Special Assistant Vs;
- 1.00 FTE – 1365 Special Assistant VI;
- 0.75 FTE – 1366 Special Assistant VII;
- 0.75 FTE – 1368 Special Assistant IX;
- 1.75 FTE – 1371 Special Assistant XIIs.

  5.75 FTE – Total

There is also an offsetting reduction of 0.23 FTEs, resulting in an overall net increase of 5.52 FTE positions for FY 2001-02. As a result of these new positions, various upward substitutions, step adjustments and MOU-related increases, the costs for Permanent Salaries – Misc, and Fringe Benefits are increasing overall by $478,197.

COMMENT

The Mayor's budget provides an increase of $5,249,269. Our recommended reductions, which total $13,755, would still allow an increase of $5,235,514 or 17.40 percent in the Department's budget.

Department: CHF - Children, Youth and Their Families

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savi
CBI - Children's Fund Programs								
1932	001	Permanent Salaries - Misc				$1,295,804	$1,287,846	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1940	9993M	Attrition Savings - Misc		(0.55)	(0.68)	(33,686)	(41,644)	7,
		Increase Attrition Savings - Misc to reflect actual expenditure rate in Permanent Salaries - Misc. for the current year and to offset the effect of the Department's upward substitutions of two 1367 Special Assistant VIIIs to one 1368 Special Assistant IX and one 1369 Special Assistant X. Since both of the substitutions already took place in FY 2000-01, without prior budgetary approval by the Board of Supervisors, the Department has demonstrated that these increased costs could be absorbed without an increase in its salary budget. This recommendation will enable the Department to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditures for the Department.						
1932	013	Mandatory Fringe Benefits				322,412	320,474	1,
		Corresponds to the reduction in Permanent Salaries - Misc.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: CHF - Children, Youth and Their Families

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
933	040	Materials & Supplies				$78,383	$77,313	$1,070

Reduce to reflect actual costs of information technology and furniture needs of the Department. The resulting $75,713 Materials & Supplies budget would still be $39,213 more than the amount budgeted in the current fiscal year.

AL - Children's Baseline

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
34	035	Other Current Expenses				791,181	788,392	2,789

Reduce Other Current Expenses by $2,789 because Department has not adequately justified the increase in costs. The resulting $788,392 Other Current Expenses budget would still be $695,772 more than the amount budgeted in the current fiscal year because costs for the Youthworks program in the amount of $695,772 have been moved to this line item.

Total Recommended Reductions $13,755

DEPARTMENT: DSS HUMAN SERVICES

FINANCIAL DATA:

The Department of Human Services proposed $436,444,993 budget for FY 2001-02 is $2,852,339 or .65 percent less than the original FY 2000-01 budget of $439,297,332. The net decrease from the revised FY 2000-01 budget is $6,676,887 or 1.51 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATIVE SUPPORT	$ 45,541,426	$ 45,541,426	$ 52,026,349	$ 6,484,923
ADULT SERVICES	57,786,811	57,786,811	62,210,093	4,423,282
CAAP	44,129,547	43,516,336	50,826,437	6,696,890
CALWORKS	94,807,015	94,723,015	93,365,387	(1,441,628)
CHILDREN'S BASELINE	12,341,492	12,341,492	11,374,282	(967,210)
EMPLOYMENT & TRAINING SERVICE	15,362,512	13,346,512	6,783,857	(8,578,655)
FAMILY AND CHILDREN SERVICE	97,783,005	97,783,005	94,654,222	(3,128,783)
FOOD STAMPS	10,564,568	10,564,568	10,392,101	(172,467)
HOUSING & HOMELESS PROGRAMS	22,136,257	26,574,016	23,567,115	1,430,858
MEDI-CAL	23,284,404	23,284,404	19,271,355	(4,013,049)
PROGRAM SUPPORT	6,889,212	6,889,212	7,113,758	224,546
REFUGEE RESETTLEMENT PROGRAM	-	2,100,000	1,279,626	1,279,626
STATE SPECIAL PROJECTS	7,940,287	7,940,287	3,002,368	(4,937,919)
Total Operating Expenditures	$ 438,566,536	$ 442,391,084	$ 435,866,950	$ (2,699,586)
Capital Improvements & Fac. Maint.	$ 730,796	$ 730,796	$ 578,043	$ (152,753)
Total Expenditures	$ 439,297,332	$ 443,121,880	$ 436,444,993	$ (2,852,339)
Less: Work Order Recoveries	(3,575,806)	(3,575,806)	(3,698,491)	(122,685)
Net Expenditures	$ 435,721,526	$ 439,546,074	$ 432,746,502	$ (2,975,024)

Department: DSS HUMAN SERVICES (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1,612.48 FTEs, which is 105.07 FTEs less than the 1,717.55 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATIVE SUPPORT	221.96	207.19	218.00	(3.96)
ADULT SERVICES	147.44	141.76	128.47	(18.97)
CAAP	190.75	182.30	176.13	(14.62)
CALWORKS	242.20	232.86	224.34	(17.86)
CHILDREN'S BASELINE	19.03	18.41	18.07	(0.96)
EMPLOYMENT & TRAINING SERVICE	58.73	57.33	63.94	5.21
FAMILY AND CHILDREN SERVICE	371.43	354.51	351.85	(19.58)
FOOD STAMPS	153.56	149.24	142.84	(10.72)
HOUSING & HOMELESS PROGRAMS	18.35	11.78	12.13	(6.22)
MEDI-CAL	192.88	187.70	184.06	(8.82)
PROGRAM SUPPORT	94.51	89.71	88.18	(6.33)
STATE SPECIAL PROJECTS	6.71	4.10	4.47	(2.24)
Totals	1,717.55	1,636.89	1,612.48	(105.07)

Department: DSS HUMAN SERVICES (continued)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	2	1372	SA XIII	$167,562	922	Manager VI	$167,562
Provisional	7	1373	SA XIV	630,734	923	Manager VI	630,734
Provisional	2	1375	SA XVI	208,652	932	Manager VII	208,652
Totals	11			$1,006,948			$1,006,948

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	1	1363	SA IV	$42,073	filled
Provisional	2	1368	SA IX	120,508	filled
Provisional	1	1369	SA X	65,160	filled
Provisional	2	1370	SA XI	140,188	filled
Provisional	2	1371	SA XII	148,849	filled
Totals	8			$516,778	

DEPARTMENT REVENUES

Department revenues have decreased by $4,954,304 or 1.57 percent and General Fund support has increased by $1,979,280 or 1.60 percent.

DESCRIPTION

The Department's proposed budget is decreasing by $2,852,339, which is 0.65 percent less than the original FY 2000-2001 budget of $439,721,526. The major changes in the Department's budget include:

- An increase of $4,053,375 for salaries and fringe benefits. The increase of $4,053,375 includes MOU mandated increases in salaries and fringe benefits, plus 18 new positions, which are offset by

Department: DSS HUMAN SERVICES (continued)

increases in attrition savings, and other adjustments, resulting in a net decrease in FTEs of 105.07. The 18 new positions include 5 Business Analyst positions, 5 Protective Services Worker positions, 5 Employment and Training Specialist positions, one Human Service Technician, one Senior Social Worker, and one Research Psychologist. The Research Psychologist position was formerly funded by the Department of Public Health.

- An increase of $1,256,457 for current expenses, including increased rental costs. The amount of $1,256, 456 includes $1,000,000 for a new lease for the proposed Family Assessment Center.
- An increase of $6,525,801, which includes increased costs for Light, Heat, and Power, telephone and computer network services, City Attorney and District Attorney services, and childcare services.
- An increase of $493,452 for materials and supplies.
- An increase of $317,248 for travel and training expenses.
- A decrease of $6,654,521 in professional services contracts.
- A decrease of $8,040,456 in aid payments.
- Other decreases, totaling $ 926,380, for facilities maintenance, equipment purchases, and other costs.

In FY 2001-2002, the Adult Protective Services program will be transferred from the Department of Human Services to the Department of Adult and Aging Services, effective January 1, 2002. DHS will reimburse the Department of Adult and Aging Services for the costs of staff and allocable overhead for the period from January 1, 2002 through June 30, 2002, after the transfer of Adult Protective Services.

Of the 18 new positions, we are recommending approval of 11 new positions, adjusted for timing, and recommending disapproval of 7 new positions.

We are recommending disapproval of:
- 5 new 2940 Protective Services Worker positions, and
- 2 new 9704 Employment and Training Specialist positions.

We are recommending approval of:
- 3 new 9704 Employment and Training Specialist position;
- One new 2904 Human Services Technician position;
- One new 2912 Senior Social Worker position;
- 4 new 1052 Business Analyst positions;
- One new 1054 Senior Business Analyst position; and
- One new 2575 Research Psychologist position.

Department: DSS HUMAN SERVICES **(continued)**

COMMENTS

Connecting Point

Connecting Point is the centralized intake program for all homeless or at-risk families who need to access family shelter or who need information and referral regarding eviction prevention, crisis intervention, and a variety of other support services. Connecting Point services include: (a) a crisis hotline, providing crisis intervention, intake and referral, and centralized access to family emergency shelter, available Monday through Friday, 9:00 a.m. to 5:00 p.m.; (b) emergency services, including food boxes, clothing, and transportation assistance; (c) emergency assistance, and intake and referral drop-in services Monday through Friday; (d) a housing, employment, and support services resource center; (e) coordination of centralized family intake, assessment, 30-day placement at Hamilton Family Emergency Center, and regular shelter placement; (f) assistance with client rental applications and providing information on eviction prevention services; and (g) centralized data collection on all families accessing services.

According to DHS, Connecting Point modified its service model, effective April 15, 2001, as follows:

- Increasing the number of assessment appointments available each week by 13, from 33 to 46;
- Increasing the number of available drop-in sessions per week by 39, from 42 to 81;
- Increasing the number of available drop-in counselors from 1.5 to 2.5; and
- Increasing the number of assessments and drop-in appointments each week by 52, from 75 to 127.

The Connecting Point program has 9 staff, of which 5 staff (3 Assessment Counselors and 2 Crisis/ Assessment Counselors) are 100 percent funded by the Federal Housing and Urban Development (HUD) Agency in FY 2001-2002. Four of the 9 staff (1 Program Director, 1 Assistant Program Director/Assessment Counselor, 1 Crisis/ Eviction Prevention Counselor, and 1 Administrative Assistant) are funded fully or partially by the General Fund in FY 2001-2002. Total Connecting Point salary and fringe benefit costs in FY 2001-2002 are $322,895, of which $196,293 or 60.8 percent are paid by HUD and $126,602 or 39.2 percent are paid by the General Fund. The City is required by Federal statute to match at least 20 percent of the funding provided by HUD. According to Ms. Julie Brenman of DHS, the City would be required to notify HUD of any reduction in the current amount of City matching funds for the Connecting Point program. Ms. Brenman states that if the City reduces the amount of its current match, HUD may decrease the amount of HUD funding proportionately.

The Next Door Program

In November of 2000, a committee established by the Local Homeless Coordinating Board recommended development of some case management focused shelters. Prior to this recommendation, Multi-Service Centers North and South both provided a combination of short term emergency shelter beds and longer term case management shelter beds. After the Local Homeless Coordinating Board committee recommended development of some case management focused shelters, the existing Multi-Service Center North program began to provide case management for longer term single adult shelter

Department: **DSS HUMAN SERVICES (continued)**

beds and the existing Multi-Service Center South program began to provide short term, emergency shelter beds. The Multi-Service Center North program is now called the Next Door Program. According to DHS, 569 out of 1,334 shelter beds, or 42.6 percent, provide case management. The Next Door Program has shelter beds for 150 men and 100 women each night. According to DHS, if a Next Door Program client is not interested in the case management program, program staff will refer the client to another shelter.

The FY 2001-2002 budget for the Next Door Program is $1,843,713, which is unchanged from the amount budgeted in FY 2000-2001. However, according to DHS, the amount for proposed salaries for the Next Door Program in FY 2001-2002 is $1,707,538, which is $91,246 or 5.6 percent more, than the amount of $1,616,292 budgeted for salaries in FY 2000-2001. The increase of $91,246 for salaries and fringe benefits includes 4 new positions (1 Housing Coordinator, 1 Employment Specialist, 1 Job Developer, and 1 Volunteer Training Coordinator) plus other adjustments. Total program funding of $1,843,713, including $1,707,538 for salaries and fringe benefits, are General Fund monies.

Department: Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
CalWORKS								
1972	001	Permanent Salaries - Misc.				$12,159,713	$12,127,430	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1996	001	Social Services Section Manager	2948S	1.0	0.75	86,648	64,986	$21,66
		Reduce by 0.25 FTE to reflect an actual hire date of October 1, 2001.						
1996	001	Assistant Recreation Director	3280S	1.0	0.75	42,486	31,865	10,62
		Reduce by 0.25 FTE to reflect an actual hire date of October 1, 2001.						
1972		Mandatory Fringe Benefits				3,280,155	3,272,448	7,70
		Corresponds to reduction in salaries.						

epartment: Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ood Stamps								
974	001	Permanent Salaries - Misc.				$7,873,916	$7,847,646	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
98	001	Senior Personnel Analyst	1244S	1.0	0.00	70,627	0	70,627
		Personnel Analyst	1241S	0.0	0.75	0	44,357	(44,357)
		Disapprove 1.0 FTE Senior Personnel Analyst and approve 0.75 FTE Personnel Analyst, to reflect actual hire date of October 1, 2001. Currently, DHS has 8.0 FTE Senior Personnel Analysts and no Personnel Analysts. Comparable-size City Departments, such as the Department of Public Works and Department of Public Health, use both 1244 and the lower 1241 classifications to perform personnel analyst functions, and approval of one 1241 position would be consistent with staffing levels of these other City Departments.						
174	013	Mandatory Fringe Benefits				2,090,185	2,084,810	5,375
		Corresponds to reduction in salaries						

Department: Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
CAAP								
1975	001	Permanent Salaries - Misc				$9,738,830	$9,705,075	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2000	001	Eligibility Worker Supervisor	2907S	1.0	0.75	62,826	47,119	15,707
		Reduce by 0.25 FTE to reflect the actual hire date of October 1, 2001.						
2001	001	Registered Nurse	2320S	1.0	0.75	72,192	54,144	18,048
		Reduce by 0.25 FTE to reflect the actual hire date of October 1, 2001.						
1975	013	Mandatory Fringe Benefits				2,631,641	2,623,713	7,928
		Corresponds to reduction in salaries.						

epartment: Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
mployment and Training Service								
977	001	Permanent Salaries - Misc.				$3,603,997	$3,511,582	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
03	001	Employment and Training Specialists	9704N	3.75	0.00	231,037	0	231,037
		Employment and Training Specialists	9704L	0.00	2.25	0	138,622	(138,622)
		DHS is requesting approval of 3.75 new FTESs, representing 5 new positions. The Budget Analyst is recommending disapproval of 1.5 FTEs, representing 2 new positions in FY 2001-2002, and approval of 2.25 FTEs, representing 3 new positions in FY 2001-2002, as "L" or limited term positions for FY 2001-2002. These positions are fully funded by the State as part of the CalWORKS incentive program in FY 2001-2002 but State funding for these positions after FY 2001-2002 is not known.						
77	013	Mandatory Fringe Benefits				943,898	921,443	22,455
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: Human Services

Page No.	Object		Position/ Equipment Number	Number		Amount		Saving
				From	To	From	To	
Family and Children Service								
1979	001	Permanent Salaries - Misc.				$21,308,130	$21,308,130	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2005	001	Special Assistant X	1369A	1.0	0.0	65,165	0	65,16
		Special Assistant X	1369L	0.0	1.0	0	65,165	(65,16
		Designate L for limited tenure, to reflect that this position is coordinator of a 3-year demonstration project						
Adult Services								
1981	001	Permanent Salaries - Misc.				7,084,177	6,982,046	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2008	001	Social Work Supervisor	2914S	1.0	0.75	65,634	49,226	16,408
		Reduce by 0.25 FTE to reflect actual hire date of October 1, 2001.						

Department: Human Services

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
008	001	Protective Services Worker	2940N	1.25	0.0	$85,723	$0	$85,723
		Disapprove 1.25 FTEs, which represent five requested new Protective Services Worker positions. These positions are included in the DHS budget for the period from October 1, 2001, through December 31, 2001. Adult Protective Services (APS) will be transferred to the Department of Adult and Aging Services on January 1, 2002., and 2.50 FTE 2940 Protective Services Workers are included in the Department of Adult and Aging Services budget for the period from January 1, 2002 through June 30, 2002. The total number of FTEs, including DHS and the Department of Adult and Aging Services,are 3.75 FTEs, representing five new positions. Currently, DHS has 6 vacant 2940 Protective Service Worker positions in Adult Protective Services out of 30 budgeted 2904 positions, resulting in a vacancy rate of 20 percent. These vacancies should be filled before these requested new positions are added. However, the Budget Analyst is recommending approval of one new Human Services Technician position and one new Senior Social Worker position for Adult Protective Services, which would be transferred to the Department of Adult and Aging Services, effective January 1, 2001.						
181	013	Mandatory Fringe Benefits				1,882,591	1,858,677	23,914
		Corresponds with reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
Housing and Homeless Programs								
1982	001	Permanent Salaries - Misc				$771,850	$765,183	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2010	001	Manager V	0922S	2.0	1.0	167,562	83,781	83,78
		Program Support Analyst	2917A	2.5	3.5	192,784	269,898	(77,11
		Reduce 0922 Manager V by 1.0 FTE and increase 2917 Program Support Analyst by 1.0 FTE to reflect the actual classification of the incumbent in the position.						
1982	013	Mandatory Fringe Benefits				229,597	228,596	1,00
		Corresponds with reduction in salaries.						

epartment: Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		dministrative Support						
985	035	Other Current Expenses				$12,551,960	$12,551,960 *	
		* Reserve $1,000,000 for rent for the Family Assessment Center. According to DHS, the Department is currently working with the Department of Real Estate to negotiate a lease for the proposed Family Assessment Center. Total expected rent for the Family Assessment Center in FY 2001-2002 is approximately $1,300,000, including $319,200 reserved in the FY 2000-2001 budget.						
85	040	Materials and Supplies				1,985,985	1,886,998	98,987
		Reduce by $98,987. The Budget Analyst recommends approval of $1,886,998, which is equal to the FY 2000-2001 040 Materials and Supplies budget, including a 3 percent cost of living adjustment, plus the FY 2000-2001 060 Equipment budget for personal computers, plus additional materials and supplies for 11 proposed new positions.						

Department: Human Services

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Saving
1986	060	Equipment Purchase				$346,394	$321,394	*
		The recommended reduction in Equipment Purchase is the total of the following specific recommendations .						
2023		1/4 Ton Electric Pick Up	VPQW	1.0	0.0	25,000	0	25,00
		Disapprove one new pick up truck at a cost of $25,000. DHS has not shown sufficient justification for the requested new truck.						
		Total Recommended Reductions						**$485,8**
		Total Recommended Reserves						**$1,000,0**

DEPARTMENT: ENV ENVIRONMENT

FINANCIAL DATA:

The Department of Environment's proposed $1,841,323 budget for FY 2001-02 is $263,289 or 16.68 percent more than the original FY 2000-01 budget of $1,578,034. The net increase from the revised FY 2000-01 budget is $208,289 or 12.75 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
COMMUTE ASSISTANCE	$ -	$ 55,000	$ -	$ -
ENVIRONMENT	1,578,034	1,578,034	1,841,323	263,289
Total Expenditures	$ 1,578,034	$ 1,633,034	$ 1,841,323	$ 263,289
Less: Work Order Recoveries	(637,644)	(637,644)	(1,093,549)	(455,905)
Net Expenditures	$ 940,390	$ 995,390	$ 747,774	$ (192,616)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 15.49 FTEs, which is 2.45 FTEs more than the 13.04 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ENV ENVIRONMENT (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
COMMUTE ASSISTANCE	-	-	-	-
ENVIRONMENT	13.04	13.04	15.49	2.45
Totals	13.04	13.04	15.49	2.45

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1373	Special Assistant XIV	$86,852	951	Deputy Director I	$83,781
Exempt	1	1375	Special Assistant XVI	104,326	961	Department Head I	104,326
Totals	2			$191,178			$188,107

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	2.75	1368	Special Assistant IX	$135,594	filled
Provisional	3	1370	Special Assistant XI	211,881	filled
Totals	5.75			$347,475	

Department: ENV ENVIRONMENT (continued)

DEPARTMENT REVENUES

General Fund support has decreased by $ 192,616 or 20.50 percent.

DESCRIPTION

The Department of Environment's proposed $1,841,323 budget for FY 2001-02 is $263,289 or 16.68 percent more than the original FY 2000-01 budget of $1,578,034. These increased expenditures are offset by an increase of $455,905 in recoveries from both City Departments and non-City agencies. Changes in the Department of Environment FY 2001-2002 budget, totaling $263,289, include:

- $257,289 in increased salaries and fringe benefit costs, including MOU-mandated increases, one upward substitution, and 3 new requested positions. The 3 new requested positions include one Deputy Director position , and two new Energy Specialist positions.
- $180,000 for administering the Commuter Check program, which provides a pretax deduction for City employees to pay public transportation commute costs.
- $2,277 in increased rental costs.
- $11,335 for services of other City Departments, including computer network and telephone services, and reproduction services.
- A net decrease of $110,050 for materials and supplies, travel and training, and other current expenses.
- A net decrease of $77,562 for professional services contracts. In FY 2001-2002, the Department of the Environment has budgeted $142,300 for professional service contracts, which includes $23,000 for an Integrated Pest Management Contract, and $119,300 for proposed contracts for energy conservation projects.

COMMENT

The Mayor's budget provides an increase of $263,289. Our recommended reductions, which total $36,871, would still allow an increase of $226,418 or 14.3% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: Environment

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2026	001	Permanent Salaries - Misc.				$960,231	$932,114	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
2030	001	Senior Administrative Analyst	1823N	1.50	0.0	104,374	0	104,3
		Senior Energy Specialist	5608N	0.0	1.50	0	102,338	(102,3
		Disapprove 1.5 FTE 1823 Senior Administrative Analyst and approve 1.5 FTE 5608 Senior Energy Specialist to reflect actual classification requested by the Department.						
2030	001	Attrition Savings				(21,392)	(47,473)	26,0
		Increase by $31,698 to reflect the current number of vacant positions.						
2026	013	Mandatory Fringe Benefits				237,536	228,782	8,7
		Corresponds with reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: Environment

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
26	027	Professional and Specialized Services * Reserve $119,300 of the requested amount of $142,300 for new contracts for energy projects, pending award of the contracts and submission of budget details, including hourly rates and estimated hours.				$142,300	$142,300 *	
		Total Recommended Reductions						$36,871
		Total Recommended Reserves						$119,30

DEPARTMENT: HRC HUMAN RIGHTS COMMISSION

FINANCIAL DATA:

The Human Rights Commission's proposed $4,464,296 budget for FY 2001-02 is $144,904 or 3.35 percent more than the original FY 2000-01 budget of $4,319,392. The net increase from the revised FY 2000-01 budget is $184,904 or 4.32 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
HUMAN RIGHTS COMMISSION	$ 4,319,392	$ 4,279,392	$ 4,464,296	$ 144,904
Total Expenditures	$ 4,319,392	$ 4,279,392	$ 4,464,296	$ 144,904
Less: Work Order Recoveries	(2,456,715)	(2,456,715)	(2,604,397)	(147,682)
Net Expenditures	$ 1,862,677	$ 1,822,677	$ 1,859,899	$ (2,778)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 43.24 FTEs, which is .94 FTE more than the 42.30 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
HUMAN RIGHTS COMMISSION	42.30	42.30	43.24	0.94
Totals	42.30	42.30	43.24	0.94

Department: HRC HUMAN RIGHTS COMMISSION (continued)

DEPARTMENT REVENUES

General Fund support has increased by $2,778 or 0.1 percent.

DESCRIPTION

The Human Rights Commission's proposed $4,464,296 budget for FY 2001-02 is $144,904 or 3.35 percent more than the original FY 2000-01 budget of $4,319,392. The major changes to the proposed Human Rights Commission budget include:

- $163,181 in increased salaries and fringe benefits, resulting from MOU mandated increases, one upward substitution of an existing Executive Secretary I position to an Executive Secretary II position, and one new Clerk position. According to the Human Rights Commission, the upward substitution of the Executive Secretary II position and the new Clerk position were necessary to comply with the Sunshine Ordinance and to meet the increased request for public records.
- $14,948 in increased costs for Professional and Specialized Services. The Human Rights Commission has increased funding for the Bonding and Financial Assistance Program, which provides bonding and financial assistance to qualified minority, women, and local business enterprises bidding for City construction projects, by $78,600, offset by other reductions in service contracts of $63,652.
- $13,807 in increased costs for services to other City Departments, including Department of Telecommunications and Information Services maintenance and operation charges for the Citywide Diversity Tracking System.
- $47,032 in decreased costs for materials and supplies and other current expenses.

The Human Rights Commission has no Special Assistant positions.

RECOMMENDATION

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: RNT RENT ARBITRATION BOARD

FINANCIAL DATA:

The Rent Arbitration Board's proposed $3,055,286 budget for FY 2001-02 is $228,386 or 6.96 percent less than the original FY 2000-01 budget of $3,283,672. The net decrease from the revised FY 2000-01 budget is $551,457 or 15.29 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
RENT BOARD	$ 3,283,672	$ 3,606,743	$ 3,055,286	$ (228,386)
Total Expenditures	$ 3,283,672	$ 3,606,743	$ 3,055,286	$ (228,386)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 27.06 FTEs, which is 3.73 FTEs less than the 30.79 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
RENT BOARD	30.79	34.93	27.06	(3.73)
Totals	30.79	34.93	27.06	(3.73)

Department: RNT RENT ARBITRATION BOARD **(continued)**

The Department does not have any existing or proposed Special Assistant classifications.

DEPARTMENT REVENUE

Department revenues when compared with the original FY 2000-01 budget would decrease by $228,386 or 6.96 percent, however, Department revenues will decrease by $551,457, or 15.29 percent, when compared with the revised FY 2000-01 budget. All rental units in the City, with specific exceptions, are subject to the provisions of the Rent Arbitration Board (Rent Board) Ordinance and the Rent Board's annual fees. The activities of the Rent Board are fully funded by these fees.

In FY 2000-01, the Board of Supervisors approved a $3 increase in the annual Rent Board Fee, from $16 to $19 per rental unit, together with a supplemental appropriation of these additional fee revenues (Files 00-1264 and 00-1428). This fee increase was for a one-year period, to address the Department's growing backlog of petitions that had been filed by landlords and tenants. Because this backlog has now been reduced, for FY 2001-02, the annual Rent Board Fee will return to the previous $16 annual fee, resulting in the projected reduction in revenues. This reduction in Rent Board fees does not require Board of Supervisors separate approval.

DESCRIPTION

To adjust for the reduction in revenues, the Rent Board's net expenditures for FY 2001-02 will decrease by $551,457 from the revised FY 2000-01 budget, primarily due to (1) $207,579 through the elimination of the 3.0 FTE temporary Administrative Law Judge positions which were hired to reduce the backlog of petitions, (2) $146,012 from Permanent Salaries due to an increase in Attrition Savings and (3) $54,622 for the related fringe benefit costs. The other major reductions in the Rent Board's budget for FY 2001-02 include: $80,000 for Professional and Specialized Services and approximately $60,000 for Materials and Supplies.

Proposition H, approved by the San Francisco voters in November of 2000, amended the City's rent control law to prohibit tenant rent increases based on costs for most capital improvements, retroactive to April 10, 2000, and limited rent increases due to additional operating and maintenance costs to a maximum of seven percent. A petition and complaint was subsequently filed by landlord organizations for a preliminary injunction to prevent Proposition H from taking effect. In addition, the Board of Supervisors approved an ordinance (File 01-0060) placing a temporary moratorium, effective April 1, 2001, to stop the Rent Board from processing landlord capital improvement petitions until this Court case is resolved. Although landlords continue to submit petitions to the Department, in order to preserve the landlord's rights to an increase if Proposition H is found to be unlawful, the Rent Board is not currently processing any of these landlord petitions for capital improvements, until a final decision is rendered. The Department has a current backlog of approximately 200 such petitions, should the Courts require the Department to process them. This backlog is expected to grow by an indeterminate amount until a decision is reached, which could be 12 to 24 months from now, if an appeal is filed. On June 13, 2001, the Superior Court requested additional briefs and continued the hearing to July 18, 2001.

Department: **RNT** RENT ARBITRATION BOARD **(continued)**

Based on a release of $175,000 of reserved funds in December of 2000 (File 00-2009), the Rent Board has hired a consultant to conduct a Socio-economic Housing Study, which is anticipated to be completed in January of 2002.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: WOM DEPARTMENT ON THE STATUS OF WOMEN

FINANCIAL DATA:

The Department on the Status of Women's proposed $2,648,546 budget for FY 2001-02 is $97,560 or 3.55 percent less than the original FY 2000-01 budget of $2,746,106. The net decrease from the revised FY 2000-01 budget is $21,357 or .80 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CHILDREN'S BASELINE	$ 165,997	$ 273,031	$ 273,031	$ 107,034
COMMISSION ON STATUS OF WOMEN	2,396,109	2,212,872	2,191,515	(204,594)
DOMESTIC VIOLENCE PROGRAM	184,000	184,000	184,000	-
Total Expenditures	$ 2,746,106	$ 2,669,903	$ 2,648,546	$ (97,560)
Less: Work Order Recoveries	(54,600)	(54,600)	(102,279)	(47,679)
Net Expenditures	$ 2,691,506	$ 2,615,303	$ 2,546,267	$ (145,239)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 7.84 FTEs, which is the same as the 7.84 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
COMMISSION ON STATUS OF WOMEN	7.84	7.84	7.84	-
Totals	7.84	7.84	7.84	

Department: WOM DEPARTMENT OF THE STATUS OF WOMEN **(continued)**

DEPARTMENT REVENUES

General Fund support has decreased by $145,239 or 5.80 percent.

DESCRIPTION

The net decrease in Department on the Status of Women net expenditures from the FY 2000-01 original budget is $145,239. The net expenditure decrease in the proposed budget is primarily related to:

- $25,000 net decrease in City Grant Programs, which totals $1,853,173 in the Mayor's proposed budget and represents the associated costs of the City's funding of domestic violence shelters and victim services. The net decrease includes:
    - $107,034 increase in the Children's Baseline City Grant Program and
    - $132,034 decrease in the Commission on the Status of Women Grant Program;
- $52,321 net decrease in Professional & Specialized Services. The net decrease includes:
    - $100,000 decrease due to the completion of the Public Awareness Campaign and
    - $47,679 increase in services related to domestic violence prevention services;
- $ 2,028 decrease in Permanent Salaries – Misc.;
- $20,793 decrease in Equipment Purchases;
- $47,679 decrease in Interdepartmental Recovery for increased work order recoveries related to domestic violence prevention services for CalWORKS clients;
- $ 1,913 increase in Mandatory Fringe Benefits; and,
- $ 669 increase in Services of Other Departments.

Personnel: The number of full-time equivalent positions budgeted for FY 2001-02 is 7.84 FTEs, which is the same as the 7.84 FTEs in the original FY 2000-01 budget. The proposed budget also includes a position substitution of 1.0 FTE 2998 Representative, Commission on the Status of Women for 1.0 FTE 1823 Senior Administrative Analyst, which was approved by the Department of Human Resources and would increase permanent salaries by $1,491 for FY 2001-02.

Remaining Special Assistant Positions 1

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1370	Special Assistant XI	$ 70,627	Filled
Totals	1			$ 70,627	

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: HCN COMMUNITY HEALTH NETWORK

FINANCIAL DATA:

The Community Health Network's proposed $599,211,862 budget for FY 2001-02 is $56,112,411 or 10.33 percent more than the original FY 2000-01 budget of $543,099,451. The net increase from the revised FY 2000-01 budget is $55,789,472 or 10.27 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
CHILDREN'S BASELINE	$ 12,431,706	$ 12,431,706	$ 16,003,321	$ 3,571,615
FORENSICS - AMBULATORY CARE	22,084,599	22,084,599	23,683,646	1,599,047
HEALTH AT HOME	4,661,271	4,608,221	5,016,930	355,659
LAGUNA HONDA - LONG TERM CARE	124,598,827	124,589,209	135,050,978	10,452,151
LAGUNA HONDA HOSP - ACUTE CARE	1,677,671	1,677,671	1,754,115	76,444
LAGUNA HONDA HOSP - COMM SUPPORT CARE	1,032,137	1,032,137	1,085,569	53,432
PRIMARY CARE - AMBU CARE - HEALTH CNTRS	36,081,764	35,760,373	36,616,731	534,967
PRIMARY CARE - COMM SUPP - IHSS	747,698	747,698	785,083	37,385
SFGH - ACUTE CARE - FORENSICS	2,088,670	2,088,670	2,188,430	99,760
SFGH - ACUTE CARE - HOSPITAL	263,478,112	262,757,154	272,437,418	8,959,306
SFGH - ACUTE CARE - PSYCHIATRY	23,097,419	24,297,419	24,142,854	1,045,435
SFGH - AMBU CARE - ADULT MED HLTH CNTR	3,096,796	3,096,796	3,363,057	266,261
SFGH - AMBU CARE - FAMILY HEALTH CENTER	1,905,541	1,905,541	1,991,915	86,374
SFGH - AMBU CARE - METHADONE CLINIC	1,644,929	1,644,929	1,695,192	50,263
SFGH - AMBU CARE - OCCUPATIONAL HEALTH	1,651,380	1,651,380	1,717,739	66,359
SFGH - AMBU CARE - WOMEN'S HEALTH CENTER	2,153,712	2,303,712	2,129,583	(24,129)
SFGH - EMERGENCY - EMERGENCY	11,362,209	11,362,209	12,423,296	1,061,087
SFGH - EMERGENCY - PSYCHIATRIC SERVICES	4,228,456	4,228,456	4,377,468	149,012
SFGH - LONG TERM CARE - RF PSYCHIATRY	14,191,367	14,191,367	14,798,240	606,873
Total Operating Expenditures	$ 532,214,264	$ 532,459,247	$ 561,261,565	$ 29,047,301
Capital Improvements & Fac. Maint.	$ 10.885.187	$ 10.963.143	$ 37.950.297	$ 27,065,110
Total Expenditures	$ 543,099,451	$ 543,422,390	$ 599,211,862	$ 56,112,411
Less: Work Order Recoveries	(18.775.526)	(7,815,222)	(7,306.058)	11,469.468
Net Expenditures	$ 524,323,925	$ 535,607,168	$ 591,905,804	$ 67,581,879

Department: HCN COMMUNITY HEALTH NETWORK **(continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 4,800.49 FTEs, which is 11.32 FTEs more than the 4,789.17 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
Full Time Equivalents	Original	Revised		
CHF-PUBLIC HEALTH	-	-	-	-
CHILDREN'S BASELINE	147.27	147.27	147.23	(0.04)
FORENSICS - AMBULATORY CARE	202.98	202.98	206.73	3.75
HEALTH AT HOME	57.72	57.72	59.67	1.95
LAGUNA HONDA - LONG TERM CARE	1,494.54	1,494.54	1,482.74	(11.80)
LAGUNA HONDA HOSP - ACUTE CARE	18.25	18.25	18.25	-
LAGUNA HONDA HOSP - COMM SUPPORT CARE	15.09	15.09	15.10	0.01
PRIMARY CARE - AMBU CARE - HEALTH CNTRS	386.47	386.47	395.20	8.73
PRIMARY CARE - COMM SUPP - IHSS	8.25	8.25	8.25	-
SFGH - ACUTE CARE - FORENSICS	24.73	24.73	24.73	-
SFGH - ACUTE CARE - HOSPITAL	1,782.42	1,782.42	1,798.56	16.14
SFGH - ACUTE CARE - PSYCHIATRY	182.54	182.54	182.54	-
SFGH - AMBU CARE - ADULT MED HLTH CNTR	41.49	41.49	41.62	0.13
SFGH - AMBU CARE - FAMILY HEALTH CENTER	22.45	22.45	22.45	-
SFGH - AMBU CARE - METHADONE CLINIC	13.91	13.91	13.91	-
SFGH - AMBU CARE - METHADONE GRANT	-	-	-	-
SFGH - AMBU CARE - OCCUPATIONAL HEALTH	14.11	14.11	14.21	0.10
SFGH - AMBU CARE - WOMEN'S HEALTH CENTER	24.53	24.53	24.53	-
SFGH - EMERGENCY - EMERGENCY	99.69	99.69	103.41	3.72
SFGH - EMERGENCY - PSYCHIATRIC SERVICES	40.85	40.85	40.85	-
SFGH - LONG TERM CARE - RF PSYCHIATRY	211.88	211.88	200.51	(11.37)
Totals	4,789.17	4,789.17	4,800.49	11.32

DEPARTMENT REVENUES

Department revenues have increased by $63,480,260 or 11.09 percent and General Fund support has increased by $ 32,158,961 or 19.90 percent.

Major revenue changes in the Community Health Network between FY 2000-01 and FY 2001-02 include: (a) increases in MediCal at San Francisco General Hospital (SFGH) as follows: $2.7 million in SB 1255 funds, $500,000 in MAA/TCM revenue, $1.0 million for outpatient pharmacy billings, $1.0

Department: HCN COMMUNITY HEALTH NETWORK (continued)

million increase in State Short Doyle MediCal $500,000 for Trauma expansion (b) a decrease of $2.7 million in MediCal GME at SFGH (c) a $2.6 million increase in Medicare based on actual billings and receipts at SFGH (d) a reduction of $5.0 million for Laguna Honda Hospital (LHH) due to loss of one-time State funds (e) an increase of $754,000 in Primary Care and (f) an increase of $145,000 in California Children Services State funds for home care for children

Special Assistants Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	4	1372	SA XIII	$ 322,284	0922	Mgr. V	$ 322,284
Exempt	2	1374	SA XV	186,563	0931	Mgr. VII	186,563
Exempt	1	1381	SA XXII	151,615	0943	Mgr. XII	151,615
Provisional	1	1373	SA XIV	86,652	2142	Reimb. Mgr	90,105
Exempt	1	1374	SA XV	93,281	0931	Mgr. VII	93,281
Totals	9			$ 840,395			$ 843,848

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1375	SA XVI	$ 100,328	Vacant
Exempt	1	1373	SA XIV	86,652	Vacant
Exempt	1	1368	SA IX	60,709	Filled
Exempt	1	1369	SA X	65,615	Filled
Totals	4			$ 313,304	

The Department has 9 Special Assistant positions that will be reclassified into other job classifications in the FY 2001-02 budget. Four additional Special Assistant positions, two of which are vacant and two of which are filled, will remain Special Assistants in the FY 2001-02 budget.

Department: HCN COMMUNITY HEALTH NETWORK **(continued)**

DESCRIPTION

The increase in Community Health Network (HCN) total expenditures from the FY 2000-01 original budget is $56,112,411. Major expenditure changes in the proposed budget, as compared to the original FY 2000-01 budget, are summarized below:

- $24.9 million for the LHH replacement project (funded by Tobacco settlement funds)
- $1.1 million in State/Federal funds for costs associated with reinstatement of outpatient pharmacy at SFGH and $1.0 million in General Fund monies for related personnel costs
- $3.0 million in General Fund monies for implementation of the Children's Insurance Initiative
- $5.0 million for Capital improvements at community-based Primary Care clinics (Funds are reserved by the Controller pending receipt of Federal Revenues.)
- $747,000 in Federal Funds for traumatic brain injury program
- $755,000 in Federal Funds for enhancements to clinical information systems

The proposed budget includes a net increase of 11.32 full-time equivalent (FTE) positions over the FY 2000-01 original budget. In the FY 2001-02 proposed budget, the Community Health Network has eliminated 23.21 FTE positions and added 34.53 FTE new positions. The 34.53 new positions are described below.

- 25.91 new positions as follows:

  6.50 FTE new positions to implement the Children's Insurance Initiative

  3.38 FTE new positions for social work case management services in primary care to provide early intervention for high risk, high utilizer patients

  1.50 FTE new positions to expand home health services for children up to 21 years old

  0.60 FTE new positions to provide continuous service during regular staff time off for the Maxine Hall Health pilot program that integrates mental health with primary care services

Department: HCN COMMUNITY HEALTH NETWORK (continued)

0.75 FTE position for Facilities Maintenance

0.75 FTE position in medical Forensic Services converted from a contract position and 1.50 FTE positions in Forensic Recovery for expanded workorders

0.89 FTE new position for SSI Eligibility

0.80 FTE position reassigned from other division of Department (HPH)

4.51 FTE new positions to provide enhancements to the SFGH Trauma Center and to bring the neuro-trama program into compliance with State and American College of Surgeons Level 1 Trauma Center requirements

1.05 FTE new positions for SFGH Emergency Department Overnight Observation Unit to improve the utilization of all treatment areas by transferring to underutilized treatment rooms adult patients who are not in need of critical care but who require overnight observation

1.80 FTE new positions to expand mammography services at SFGH

0.75 FTE new position for an e-commerce pilot program

1.13 FTE new positions for the Clinical Pharmacy Management program at SFGH to minimize inappropriate use of antibiotics and antimicrobials to decrease their cost and reduce hospital lengths of stay

- 3.39 FTE for annualization of positions created in the FY 2000-01 budget

- 5.21 FTE increase in Temporary Salaries-Nurses and Temporary Salaries-Misc.

COMMENTS

1. As the Department has done numerous times in the past, the Department continues to request new positions, even though the Department has a number of vacancies among its existing positions in the same classifications which are being requested for new positions. The Budget Analyst's analysis focused on identifying new position requests in job classifications for which the Department has (1) existing long-term vacancies (defined as positions that have been vacant for one year or longer) or (2) vacancies in positions that were added as new positions in HCN's FY 2000-01 budget that have not yet been filled. The Budget Analyst identified 34.0 FTE positions that the Department created in the FY 2000-01 budget process that have not yet been filled. Additionally, the Budget Analyst identified 99.0

Department: HCN COMMUNITY HEALTH NETWORK **(continued)**

FTE positions that have been vacant for at least one year. Overall, the Department has 493.1 FTE positions that are vacant.

While the Department contends that holding certain positions vacant is necessary to meet its Attrition Savings and to provide sufficient management flexibility, the Budget Analyst questions the practice of requesting new positions at the same time the Department has long term vacancies in the identical classifications. The Budget Analyst believes this practice raises questions about the validity of the need for the additional positions which the Department requests each year, given that the Department did not fill 34.0 new FTE positions approved by the Board of Supervisors in FY 2000-01 despite the fact that the Department argued last year that such positions were needed and therefore had to be approved by the Board of Supervisors.

Also, the Department states that vacant positions in one program should not be reassigned to meet staffing needs in other programs. However, the Budget Analyst notes that all City Departments have the authority to make such reassignments and that the HCN budget, as administered by the Department itself, includes such reassignments each year. Further, leaving the positions vacant in any program does not result in services being provided to the public.

Additionally, the Department argues that some of the proposed new positions, which the Budget Analyst recommends eliminating, would generate other State and Federal revenues to help fund the position. The Budget Analyst notes that the transfer of a vacant position from another program would generate those same additional revenues.

Out of a budget which contains 4,800.49 FTEs, the Budget Analyst has recommended that the Board of Supervisors disapprove the Department's request for 6.52 new FTE positions on the basis that the Department has existing long-term vacancies in these classes that should be filled without creating 6.52 new FTE positions. Given the significant number of long-term vacancies (positions vacant for one year or longer), the Budget Analyst believes that his recommendations are justified. If the Board of Supervisors believes the Department needs additional funds to fulfill other priorities needed by the Department, we believe our recommended reductions should be accepted. Such savings could be reallocated back to the Department at the end of the budget process when meaningful reallocations could be made by the Board of Supervisors instead of permitting the Department to establish new positions where the Department has numerous vacant positions in the same classifications.

2. In both the Community Health Network and Public Health, the Department has proposed various upward substitutions for FY 2001-02. In the case of the Community Health Network, 23 upward substitutions already occurred during FY 2000-01. When such substitutions are offset against the various downward substitutions that occurred, the net increased cost is $60,583. Because such substitutions have already occurred, without budgetary approval from the Board of Supervisors, Attrition Savings should be increased for this purpose based on a prior policy decision of the Board of Supervisors. Since such newly increased costs have occurred within Laguna Honda-Long-Term Care, the Budget Analyst has recommended an increase in Attrition Savings in that program accordingly.

Department: HCN COMMUNITY HEALTH NETWORK **(continued)**

3. The Mayor's budget provides an increase of $56,112,411. Our recommended reductions, which total $160,152, would still allow an increase of $55,952,259 or 10.3% in the Department's budget.

Department: HCN-Community Health Network

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Saving
Laguna Honda-Long-Term Care (DA5)-LHH Operating Non-Project								
2099	001	Permanent Salaries-Misc. * The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				$63,488,677	$63,428,094	*
2149	001	Attrition Savings-Misc. Increase in Attrition Savings to offset the effect of the Department's upward substitutions of the following positions: (1) a 1042 Engineer-Journey for a 1063 Programmer Analyst-Senior (2) an 1824 Principal Administrative Analyst for a 1657 Senior Systems Accountant (3) a 2622 Dietetic Technician for a 2606 Senior Food Service Worker (4) a 1408 Principal Clerk for a 1429 Nurses Staffing Assistant (5) a 2143 Hospital Assistant Administrator for a Chief Medical Records Administrator (6) three 2554 Therapy Aides for a 2587 Health Worker III, a 2736 Porter, and a 2920 Medical Social Worker (7) a 2909 Hospital Eligibility Worker for a 2913 Program Specialist which would result in increased salary and fringe benefit costs made during FY 2000-01 without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.	9993M	(87.90)	(89.00)	(4,841,383)	(4,901,966)	60,5

epartment: HCN-Community Health Network

			Position/	Number		Amount		
age o.	Object		Equipment Number	From	To	From	To	Savings
99	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				$24,608,768	$24,593,380	$15,388
		ealth At Home (DHH) GF- Non-Project						
05	001	Permanent Salaries-Misc. * The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				1,482,539	1,478,342	*
53	001	Health Care Billing Clerk II Disapprove new position on basis that SFGH has had 1.0 FTE vacant in this class since 1999, or approximately two years, that should be reassigned from SFGH and filled to staff the function in this Program instead of creating a new position in the same classification.	1636 N	0.75	0.00	35,674	0	35,674
253	001	Attrition Savings-Misc. Reduce Attrition Savings to zero to allow the Department to fill the long-term vacant Health Care Billing Clerk II.	9993M	(0.92)	0.00	(31,477)	0	(31,477)

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: HCN-Community Health Network

Page No.	Object		Position/ Equipment Number	Number		Amount		Saving
				From	To	From	To	
		Primary Care-Ambulatory Care-Health Centers (DHP) GF-Non-Project						
2107	001	Permanent Salaries-Misc. * The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				$13,117,204	$13,117,204	*
2156	001	Health Care Worker III Disapprove new 2587 position because DHP has had 1.0 FTE vacant in this class since September 9,1999, or approximately one year and nine months, that should be filled to staff this function instead of creating a new position in the same classification. The reduction of 0.89 FTE 2587 Health Care Worker III would still leave DHP with 26.01 FTE 2587 positions.	2587 N	0.89	0.00	44,015	0	44,0
2156	001	Physician Specialist Disapprove new position on basis that SFGH has had a 0.50 FTE vacant in this class since April 12, 1999, or approximately two years and two months, that should be reassigned from SFGH and filled to staff the function in this Program instead of creating a new position in the same classification.	2230 N	0.50	0.00	54,340	0	54,3

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: HCN-Community Health Network

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
155	001	Medical Records Technician	2112 N	1.00	0.00	$52,698	$0	$52,698
		Disapprove new position on basis that SFGH has had a 1.0 FTE vacant position in this class since 1999. This vacancy should be reassigned from SFGH and filled to staff the function in this Program, instead of creating a new position in the same classification.						
57	001	Senior Stationary Engineer	7355 N	0.75	0.00	49,218	0	49,218
		Disapprove new position on basis that LHH (Laguna Honda Hospital) has had a vacancy in this class since February 19,1999, or approximately two years and four months, that should be reassigned from LHH and filled to staff the function in this Program instead of creating a new position in the same classification.						
257	001	Attrition Savings-Misc.		(22.83)	(19.59)	(1,411,027)	(1,210,756)	(200,271)
		Reduce Attrition Savings to allow the Department to fill the long-term vacancies listed above.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: HCN-Community Health Network

Page No.	Object		Position/ Equipment Number	Number		Amount		Saving
				From	To	From	To	
2107	004	Permanent Salaries-Nurses * The recommended reduction in Permanent Salaries-Nurses is the total of the following specific recommendations regarding individual classifications.				$7,519,048	$7,453,037	*
2157	004	Registered Nurse Disapprove 1.50 FTE new positions on basis that SFGH has had multiple long-term vacancies in this class since 1999, or approximately two years, that should be reassigned from SFGH and filled to staff to staff the function in this Program instead of creating a new position in the same classification.	2320 N	1.50	0.00	108,288	0	108,2
2158	004	Public Health Nurse Disapprove 1.13 FTE new positions on basis that DHP has had a 1.00 FTE vacancy in this class since July 1, 1999, or almost two years. This vacant position should be filled to staff this function without creating a new position in the same classification.	2830 N	1.13	0.00	69,800	0	69,8

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: HCN-Community Health Network

age Io.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
58	001	Attrition Savings-Nurses Reduce Attrition Savings to allow the Department to fill the long-term vacancies.		(10.11)	(7.84)	($794,338)	($616,250)	($178,088)
58	004	Nurse Practitioner Approval of the proposed conversion of a grant-funded position to a General Fund position is a policy matter for the Board of Supervisors.	2328 H	0.71	0.71	66,011	0	66,011
207	013	Mandatory Fringe Benefits Corresponds to reduction in Salaries.				4,946,673	4,932,700	13,973
		Total Recommended Reductions						$160,152

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: HPH PUBLIC HEALTH

FINANCIAL DATA:

The Department of Public Health's proposed $371,012,196 budget for FY 2001-02 is $31,047,310 or 9.13 percent more than the original FY 2000-01 budget of $339,964,886. The net increase from the revised FY 2000-01 budget is $21,594,657 or 6.18 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CENTRAL ADMINISTRATION	$ 116,109,584	$ 116,182,496	$ 117,151,618	$ 1,042,034
CHILDREN'S BASELINE	23,754,408	24,496,568	25,060,437	1,306,029
CHILDREN'S FUND PROGRAMS	-	-	-	-
COMM HLTH - ADMINISTRATION	10,552,618	10,741,534	11,621,856	1,069,238
COMM HLTH - COMM SUPPORT - HOUSING	5,732,880	6,211,135	8,410,406	2,677,526
COMM HLTH - COMMUNITY SUPPORT - EAP	417,739	188,588	563,076	145,337
COMM HLTH - PREVENTION - AIDS	60,412,516	64,037,697	64,917,367	4,504,851
COMMUNITY HEALTH - EMSA	1,568,146	1,633,886	1,772,760	204,614
COMMUNITY HEALTH - OSH	1,369,922	1,369,922	1,297,255	(72,667)
COMMUNITY HEALTH - BEHM	10,105,119	10,120,875	10,765,147	660,028
COMMUNITY HEALTH - DISEASE CONTROL/AIDS	17,618,209	18,636,792	18,535,172	916,963
COMMUNITY HEALTH - HEALTH EDUCATION	4,321,973	4,376,161	4,276,883	(45,090)
COMMUNITY HEALTH - MATERNAL & CHILD	11,606,726	10,826,564	11,795,126	188,400
DEPARTMENTAL TRANSFER ADJUSTMENT	(98,224,658)	(98,224,658)	(98,224,658)	-
MENTAL HEALTH - ACUTE CARE	5,689,412	5,689,412	5,228,159	(461,253)
MENTAL HEALTH - CHILDREN'S PROGRAM	10,431,634	11,875,276	10,731,855	300,221
MENTAL HEALTH - COMMUNITY CARE	89,965,323	91,227,880	97,251,825	7,286,502
MENTAL HEALTH - COMMUNITY SUPPORT	2,667,410	2,667,410	2,755,044	87,634
MENTAL HEALTH - EARLY INTERVENTION	155,833	155,833	162,988	7,155
MENTAL HEALTH - EMERGENCY CARE	1,100,824	1,100,824	1,137,403	36,579
MENTAL HEALTH - LONG TERM CARE	13,325,662	13,325,662	13,469,741	144,079
NON-CHILDREN'S FUND PROGRAMS	335,581	335,581	351,972	16,391
SUBSTANCE ABUSE	1,232,561	1,221,227	1,232,561	-
SUBSTANCE ABUSE - ACUTE CARE	2,623,090	2,623,090	2,623,090	-
SUBSTANCE ABUSE - COMMUNITY CARE	43,658,474	45,163,884	54,671,213	11,012,739
SUBSTANCE ABUSE - COMMUNITY SUPPORT	1,380,282	1,380,282	1,380,282	-
SUBSTANCE ABUSE - EARLY INTERVENTION	1,953,618	1,953,618	1,953,618	-
Total Operating Expenditures	$ 339,864,886	$ 349,317,539	$ 370,892,196	$ 31,027,310
Capital Improvements & Fac. Maint.	$ 100,000	$ 100,000	$ 120,000	$ 20,000
Total Expenditures	$ 339,964,886	$ 349,417,539	$ 371,012,196	$ 31,047,310
Less: Work Order Recoveries	(12,561,795)	(13,408,676)	(12,939,715)	(377,920)
Net Expenditure	$ 327,403,091	$ 336,008,863	$ 358,072,481	$ 30,669,390

Department: HPH PUBLIC HEALTH (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1,389.31 FTEs, which is 110.73 FTEs more than the 1,278.58 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CENTRAL ADMINISTRATION	85.07	85.07	86.41	1.34
CHILDREN'S BASELINE	118.63	118.63	125.50	6.87
CHILDREN'S FUND PROGRAMS	-	-	-	-
COMM HLTH - ADMINISTRATION	78.04	78.04	77.31	(0.73)
COMM HLTH - COMM SUPPORT - HOUSING	2.97	2.97	10.05	7.08
COMM HLTH - COMMUNITY SUPPORT - EAP	5.01	5.01	5.76	0.75
COMM HLTH - PREVENTION - AIDS	115.59	115.59	175.07	59.48
COMMUNITY HEALTH - EMSA	11.12	11.12	11.36	0.24
COMMUNITY HEALTH - OSH	13.34	13.34	12.03	(1.31)
COMMUNITY HEALTH - BEHM	96.37	96.37	99.02	2.65
COMMUNITY HEALTH - DISEASE CONTROL/AIDS	172.46	172.46	181.32	8.86
COMMUNITY HEALTH - HEALTH EDUCATION	28.97	28.97	31.45	2.48
COMMUNITY HEALTH - MATERNAL & CHILD HLTH	138.06	138.06	126.80	(11.26)
MENTAL HEALTH - CHILDREN'S PROGRAM	8.00	8.00	10.50	2.50
MENTAL HEALTH - COMMUNITY CARE	337.50	337.50	352.85	15.35
MENTAL HEALTH - EMERGENCY CARE	13.55	13.55	13.55	-
MENTAL HEALTH - LONG TERM CARE	17.33	17.33	17.33	-
NON-CHILDREN'S FUND PROGRAMS	4.50	4.50	3.88	(0.62)
SUBSTANCE ABUSE - COMMUNITY CARE	32.07	32.07	49.12	17.05
Totals	1,278.58	1,278.58	1,389.31	110.73

DEPARTMENT REVENUES

Department revenue for Public Health budgeted for FY 2001-02 is $352,115,230, which is $24,244,238, or 7.43 percent, more than the department revenue of $327,372,640 in the FY 2000-01 original budget.

General Fund support for Public Health budgeted for FY 2001-02 is $104,181,909, which is $6,325,152, or 6.50 percent, more than the FY 2000-01 original budget.

Major revenue changes in Public Health between FY 2000-01 and FY 2001-02 include: (a) increases in State Funds for Proposition 36, Community Mental Health Services, and California

Department: HPH PUBLIC HEALTH (continued)

Children's Services (CCS) Program and State realignment revenues (b) increased Medi-Cal for Community Mental Health Services and Substance Abuse (c) increased grant funds, particularly for Community Health-Prevention-AIDS.

Special Assistants Recommended For Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1372	SA XIII	$ 80,571	0922	Mgr. V	$ 80,571
Exempt	1	1375	SA XVI	100,328	0932	Mgr. VIII	100,328
Exempt	2	1374	SA XV	186,563	0931	Mgr. VII	186,563
Exempt	1	1377	SA XVIII	121,435	0941	Mgr. X	121,435
Exempt	2	1372	SA XIII	161,142	0922	Mgr. V	161,142
Totals	7			$ 650,039			$ 650,039

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	2	1370	SA XI	$ 141,254	Filled
Exempt	1	1368	SA IX	60,709	Filled
Exempt	1	1364	SA V	45,518	Vacant
Exempt	1	1372	SA XIII	80,571	Filled
Provisional	1	1367	SA VIII	56,402	Vacant
Provisional	1	1370	SA XI	70,627	Filled
Provisional	0.65	1372	SA XIII	52,371	Vacant
Provisional	0.1	1372	SA XIII	8,057	Vacant
Provisional	0.1	1373	SA XIV	8,665	Vacant
Provisional	0.15	1370	SA XI	10,594	Vacant
Provisional	0.18	1370	SA XI	12,713	Vacant
Provisional	0.5	1373	SA XIV	43,326	Filled
Total	8.68			$ 590,807	

The Department has 7 Special Assistant positions that will be reclassified into other job classifications in the FY 2001-02 budget. In addition, there are 8.68 FTE Special Assistant positions that

Department: HPH PUBLIC HEALTH (continued)

will remain Special Assistants in the FY 2001-02 budget, 5.5 of which are filled and 3.18 which will remain vacant. Most of these 8.68 remaining Special Assistant positions are grant funded.

DESCRIPTION

The increase in Public Health (HPH) total expenditures from the FY 2000-01 original budget is $31,047,310. Significant expenditure changes in the proposed budget, as compared to the original FY 2000-01 budget, are summarized below:

- $6.7 million for implementation of the Proposition 36 Substance Abuse Crime and Prevention Act of 2000
- $1.2 million for expanded integration of mental health and substance abuse treatment programs
- $2.5 million for Mental Health Homeless Services. This program was previously funded through a grant which in FY 01-02 will be converted to an ongoing, State program.
- $1.2 million for expansion of California Children's Services program
- $1.1 million for emergency room physicians
- $1.6 million for rent increases in leased facilities

The proposed budget includes a net increase of 110.73 full-time equivalent (FTE) positions over the FY 2000-01 original budget. In the FY 2001-02 proposed budget, Public Health has eliminated 13.92 FTE positions and added 124.65 FTE new positions. The Budget Analyst recommends disapproval of 3.55 of the proposed new FTE positions as well as eliminating 7.00 existing vacant positions. The 124.65 new FTE positions are accounted for below:

- 29.50 FTE new position requests as follows:

  7.39 FTE positions that are currently contract positions that HPH is requesting become permanent positions, 2.25 FTE positions of which are in Supportive Housing and 4.50 FTE positions of which are in Substance Abuse, 0.60 FTE position in Mental Health MIS, and .04 FTE position in Health Education Administration.

  8.50 FTE positions for the implementation and operation of Proposition 36, passed by California voters in November 2000 for Substance Abuse Treatment

  2.86 FTE positions for the expansion of the Adult Immunization Clinic

Department: HPH PUBLIC HEALTH (continued)

0.75 FTE position for HIV Services

0.75 FTE position to improve workflow in Records and Statistics

2.35 FTE positions for expanded workorders in BEHM (0.50 FTE position), Employee Assistance Program (0.75 FTE position), Department of Children, Youth and Families Childcare (0.75 FTE position) and Substance Abuse (0.35 FTE position)

5.10 FTE positions for expansion of California Children's Services

1.80 FTE positions in Community Health-Ambulatory Care for increased services

- 61.40 new FTE grant-funded positions, 59.48 of which are in Community Health-Prevention-AIDS

- 22.50 new FTEs that are previous grant-funded positions that the Department is requesting become permanent positions as follows:

16.50 FTE positions in the AB 2034 Mental Health Homeless Services. These positions had been funded by a State grant, which in FY 2001-02 the State is converting to an ongoing program and therefore, HPH has included these positions as permanent, State funded positions in its FY 2001-02 budget

6.00 FTE positions for the Reggie Project, an HIV/AIDS information reporting system, that will no longer be grant funded and will instead be General Fund positions

- 11.25 of the increased FTE count is due to the annualization of new positions that were added to the HPH budget in FY 2000-01.

COMMENTS

1. As the Department has done numerous times in the past, the Department continues to request new positions, even though the Department has a number of vacancies among its existing positions in the same classifications which are being requested for new positions. The Budget Analyst's analysis focused on identifying new position requests in job classifications for which the Department has (1) existing long-term vacancies (defined as positions that have been vacant for one year or longer) or (2) vacancies in positions that were added as new positions in HPH's FY 2000-01 budget that have not yet been filled. The Budget Analyst identified 36.18 FTE positions that the Department created in the FY 2000-01 budget process that have not yet been filled. Additionally, the Budget Analyst identified 22.50

Department: HPH PUBLIC HEALTH (continued)

FTE positions that have been vacant for at least one year. Overall, the Department has 147.79 FTE positions that are vacant.

While the Department contends that holding certain positions vacant is necessary to meet its Attrition Savings and to provide sufficient management flexibility, the Budget Analyst questions the practice of requesting new positions at the same time the Department has long term vacancies in the identical classifications. The Budget Analyst believes this practice raises questions about the validity of the need for the additional positions which the Department requests each year, given that the Department did not fill 36.18 new FTE positions approved by the Board of Supervisors in FY 2000-01 despite the fact that the Department argued last year that such positions were needed and therefore had to be approved by the Board of Supervisors.

Also, the Department states that vacant positions in one program should not be reassigned to meet staffing needs in other programs. However, the Budget Analyst notes that all City Departments have the authority to make such reassignments and that the HPH budget, as administered by the Department itself, includes such reassignments each year. Further, leaving the positions vacant in any program does not result in services being provided to the public.

Additionally, the Department argues that some of the proposed new positions, which the Budget Analyst recommends eliminating, would generate other State and Federal revenues to help fund the position. The Budget Analyst notes that the transfer of a vacant position from another program would generate those same additional revenues.

Out of a budget which contains 1,389.31 FTEs, the Budget Analyst has recommended that the Board of Supervisors disapprove the Department's request for 2.25 new FTE positions on the basis that the Department has existing long-term vacancies in these classes that should be filled without creating 2.25 new FTE positions. Additionally, the Budget Analyst has recommended the elimination of 6.00 FTE positions, including 5.00 FTE positions that were created in FY 2000-01, and that have remained vacant for at least one year. Given the significant number of long-term vacancies (positions vacant for one year or longer), the Budget Analyst believes that his recommendations are justified. If the Board of Supervisors believes the Department needs additional funds to fulfill other priorities needed by the Department, we believe our recommended reductions should be accepted. Such savings could be reallocated back to the Department at the end of the budget process when meaningful reallocations could be made by the Board of Supervisors instead of permitting the Department to establish new positions where the Department has numerous vacant positions in the same classifications.

2. In both the Community Health Network and Public Health, the Department has proposed various upward substitutions for FY 2001-02. In the case of Public Health, 55 upward substitutions are proposed for FY 2001-02, resulting in a total net increased cost of $738,291. The Department has increased its proposed Attrition Savings accordingly. Most of these substitutions have not yet occurred and the Department has provided reasonable justification to the Budget Analyst for such proposed substitutions. For five positions for which the upward substitutions have already occurred, without budgetary approval

Department: **HPH PUBLIC HEALTH (continued)**

from the Board of Supervisors, the Budget Analyst has recommended that Attrition Savings be increased by $46,836 for this purpose based on a prior policy decision by the Board of Supervisors. Additionally, the Budget Analyst recommends disapproving three upward substitutions for which the Department has not provided justification, which result in net increased costs of $10,718.

3. The Mayor's budget provides an increase of $31,047,310. Our recommended reductions, which total $635,813, would still allow an increase of $30,411,497 or 8.9% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

---

partment: **HPH- Public Health**

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		tral Administration (DHA)- GF-Non-Project						
5	001	Permanent Salaries-Misc. * The recommended decrease in Permanent Salaries-Misc. is the total of the following specific recommendations.				$3,035,059	$2,977,767	*
5	001	Attrition Savings-Misc. Increase Attrition Savings-Misc. by $52,187 for an 1823 Sr. Administrative Analyst position due to a long-term vacancy. Reallocate the funding to DPC (Community Health Prevention-AIDS) instead of allowing DPC to create a new position. Increase Attrition Savings-Misc. by $5,105 to offset the net effect of the substitution of an 1822 Administrative Assistant for an 1842 Management Assistant. This substitution took place in FY 2000-01 without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.	9993M	(5.61)	(6.46)	(380,071)	(437,363)	57,292

Department: HPH- Public Health

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2245	013	Mandatory Fringe Benefits				$729,326	$715,862	$13,4
		Corresponds to the increases in Attrition Savings.						

Community Health- Administration (DHC)- GF-Non-Project

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2251	001	Permanent Salaries				4,197,050	4,197,050	
		* The recommended decrease in Permanent Salaries-Misc. is the total of the following specific recommendations.						
2390	001	Senior Account Clerk	1632	1.00	0.00	49,455	0	49,4
2391	001	Health Program Coordinator II	2591	1.00	0.00	62,510	0	62,5
		Eliminate these two positions that were created in the FY 2000-01 budget and have not yet been filled. With this reduction, DHC will still have 5.25 FTE 1652 Senior Accountants and 3.65 FTE 1632 Senior Account Clerks.						
2392	001	Attrition Savings-Misc.	9993M	(6.27)	(4.46)	(387,048)	(275,083)	(111,96
		Reduce Attrition Savings by $111,965 to allow the Department to fill other vacant positions. This recommendation offsets the above recommendation and results in no net savings.						

partment: HPH- Public Health

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		ntal Health-Community Care (DMM)-GF Non-Project						
61	001	Permanent Salaries-Misc * The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.				$21,197,672	$21,166,719	*
9	001	Attrition Savings-Misc. Increase Attritition Savings-Misc. by $10,718 to disappove proposed substitutions of a 1446 Secretary II for a 1404 Clerk and a 2591 Health Program Coordinator for a 2930 Mental Health Clinician which total $10,236, and to disapprove the proposed substitution of a 1002 Operator-Journey for a 1424 Clerk Typist which would cost $482. The Department has not provided justifcation for these upward substitutions. Increase Attrition Savings to offset the $20,235 net increase due to the upward substitution of a 0941 Manager X for 2248 Assistant Director of Clinical Services that occurred during the year, without prior Board of Supervisor approval. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.	9993M	(38.35)	(38.79)	(2,681,214)	(2,712,167)	30,953
22	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				5,268,991	5,261,827	7,164

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

Department: HPH- Public Health

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
		Substance Abuse-Community Care (DMS) GF-Non-Project						
2269	001	Permanent Salaries-Misc.				$2,093,633	$2,062,315	
		* The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.						
2405	001	Health Program Coordinator II	2591	2.00	0.00	$125,019	$0	$125,019
2405	001	Sr. Administrative Analyst Analyst	1823	1.00	0.00	69,583	0	69,583
		Eliminate 2.00 FTE 2591 Health Program Coordinator II positions and 1.0 1823 Sr. Administrative Analyst position created in FY 2000-01 that were never filled. After the proposed reduction, DMS would still have 4.0 FTE 1823 Sr. Administrative Analyst positions and 4.0 FTE Health Program Coordinator II positions.						
2406	001	Attrition Savings-Misc.		(2.57)	0.00	(163,284)	0	(163,28
		Reduce Attrition Savings by $163,284 to zero, to allow the Department to fill other vacant positions.						
2269	013	Mandatory Fringe				506,405	498,900	7,505
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

epartment: HPH- Public Health

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		ommunity Health- BEHM (DPB)- GF-Non-Project						
.77	001	Permanent Salaries-Misc. * The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.				$5,811,737	$5,790,241	*
.11	001	Attrition Savings-Misc. Increase Attrition Savings by $21,496 to offset the net effect of the following upward substitutions that took place in FY 2000-01, without prior Board of Supervisors approval: $9,187 for the substitution of a 2233 Supervising Physician Specialist for a 2232 Senior Physician Specialist; $11,771 for the substitution of an 1824 Principal Administrative Analyst for an 1823 Senior Administrative Analyst; $538 for the substitution of a 1051 IS Business Analyst-Assistant for a 1408 Principal Clerk. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.	9993M	(4.64)	(4.96)	(311,956)	(333,452)	21,496
2.7	013	Mandatory Fringe Benefits Corresponds to the increase in Attrition Savings.				1,293,128	1,288,070	5,058

Department: HPH- Public Health

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
Community Health Prevention-AIDS (DPC) GF-Non-Project								
2284	001	Permanent Salaries-Misc * The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.				$1,548,636	$1,177,164	
2416	001	Sr. Administrative Analyst Disapprove new 1823 position on basis that DHA (Central Administration) has an 1823 position that has been vacant since July 1, 2000. This vacant position should be filled instead of allowing DPC to create a new position.	1823 N	0.75	0.00	52,187	0	52,17
2385	001	Attrition Savings-Misc. Reduce Attrition Savings-Misc. to permit staffing of one 1823 Sr. Administrative Analyst postion, which would be reallocated to DPC. This recommendation offsets the above recommendation and results in no savings.		(5.61)	(4.84)	(380,071)	(327,884)	(52,18)

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

partment: HPH- Public Health

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
16	001	Business Analyst-	1051 H	1.0	1.0	$55,071	$0	$55,071
16	001	Business Analyst-Senior	1053 H	2.0	2.0	147,569	0	147,569
17	001	Health Worker III	2587 H	2.0	2.0	98,910	0	98,910
17	001	Health Program Coordinator III	2593 H	1.0	1.0	69,922	0	69,922
		Approval of the 6.0 FTE previously grant-funded positions proposed as permanent General Fund positions for the REGGIE Project (AIDS/HIV Reporting System) is a policy matter for the Board of Supervisors.						
4	013	Mandatory Fringe Benefits				388,271	298,180	90,091
		Corresponds to the reduction in salaries.						

mmunity Health-Disease Control/AIDS-(DPD) GF-Non-Project

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
37	001	Permanent Salaries-Misc				4,749,400	4,749,400	*
		* The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.						
4	001	Health Educator	2822	1.00	0.00	64,676	0	64,676
		Eliminate this position because it has been vacant since November 10, 1999, or approximately one year and seven months.						

Department: HPH- Public Health

Page No.	Object		Position/ Equipment Number	Number		Amount		Saving
				From	To	From	To	
2439	001	Attrition Savings-Misc. Reduce Attrition Savings by $64,676 to allow the Department to fill other vacant positions. This recommendation offsets the above recommendation and results in no net savings.	9993M	(10.71)	(9.49)	($567,973)	($503,297)	($64,6
2307	027	Professional and Specialized Services *Reserve $100,000 of proposed sole source contract with Shanti Lifelines for Breast Cancer Case Management and Support Services pending submission of specific contract details including services to be provided, hourly rates and estimated hours to the Board of Supervisors.				354,898	354,898*	

Community Health-Maternal & Child Health (DPM)-GF-Non-Project

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2346	004	Permanent Salaries-Nurses * The recommended reduction in Permanent Salaries- Nurses is the total of the following specific recommendations regarding individual classifications.				1,152,869	1,152,869	

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

partment: HPH- Public Health

ge			Position/ Equipment	Number		Amount		
.	Object		Number	From	To	From	To	Savings
8	004	Public Health Nurse	2830 N	1.50	0.00	$115,535	$0	$115,535
		Disapprove 1.50 FTE new 2830 positions on the basis that DPM has two vacant 2830 positions, one created in the FY 2000-01 budget that has not yet been filled and one that has been vacant since December 1999, or approximately one year and six months.						
8	001	Attrition Savings-Misc.		(3.11)	(1.33)	(202,240)	(86,705)	(115,535)
		Reduce Attrition Savings by $115,535 to allow the Department to fill the long-term vacancies. This recommendation offsets the above recommendation and results in no net savings.						
		Total Recommended Reductions						$635,813
		Total Recommended Reserves						$100,000

City and County of San Francisco
Meeting Minutes
Finance Committee

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Clerk: Gail Johnson

Thursday, June 28, 2001 **11:00 AM** **City Hall, Legislative Chamber, Second Floor**

Budget Review Hearings

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 11:36 a.m.

011045 **[Budget Hearing and Review, FY 2001-2002]**

Hearing to consider the Annual Budget for Culture and Recreation; Public Works, Transportation and Commerce.

(Culture and Recreation: Asian Art Museum; Art Commission; Administrative Services-Convention Facilities; Fine Arts Museum; Public Library; Law Library; Recreation and Park; Academy of Sciences; County Education Office; War Memorial.)

(Public Works, Transportation and Commerce: Airport; Clean Water; Building Inspection; Emergency Communications Department; Business & Economic Development; Hetch Hetchy Project; Light, Heat and Power; Port; Parking and Traffic; Public Utilities Commission; Telecommunications & Information Services; Water Department; Public Works; Capital Projects.)

(Companion to File 011040.)

6/4/01, RECEIVED AND ASSIGNED to Finance Committee. Scheduled for consideration on June 21, at 1:00 p.m.

6/21/01, MEETING RECESSED. Heard in Committtee. Speakers: Harvey Rose, Budget Analyst; Emily Sano, Director, Asian Art Museum; Steve Kawa, Mayor's Office; Rich Newirth, Director, Art Commission; Mr. Osman, Administrative Services, Building Operations; Edward Harrington, Controller; Harry Parker; Director of Museums, Fine Arts Museums; Susan Hildreth, City Librarian; Marcia Bell, Law Librarian; Elizabeth Goldstein, General Manager, General Manager, Recreation and Park Department; Michael Elzey, Chief Executive Officer, Concourse Authority; Supervisor McGoldrick; Ken Bruce, Budget Analyst's Office; Stan Jones, Budget Analyst's Office; Elizabeth Murray, Managing Director, War Memorial Performing Arts Center; Karen Clopton, Chief of Operations, Port; Ben Cutley, Director of Finance, Port; John Martin, Director of Airports; Lawrence Klein, Assistant General Manager, Operations, Public Utilities Commission; Edward Smeloff, Assistant General Manager, Power Policy, Public Utilities Commission; Laurie Park, Acting General Manager, Hetch Hetchy Water and Power; Emilie Neumann, Budget Analyst's Office; Frank Chiu, Director, Department of Building Inspection; Thera Bradshaw, Executive Director, Emergency Communications Department; Richard Hillis, Business and Economic Development Department; Daniel Wang, Director, Small Business Office; Debra Newman, Budget Analyst's Office; Annemarie Conroy, Executive Drector, Treasure Island Development Authority; Fred Hamdun, Executive Director, Department of Parking and Traffic; Liza Lowery, Executive Director, Department of Telecommunications and Information Services; Edwin Lee, Director, Department of Public Works.
Meeting recessed to June 22, 2001, at 2:00 p.m.

6/22/01, CONTINUED. Heard in Committee. Speakers: Ken Bruce, Budget Analyst's office; Edward Harrington, Controller. Continued to 6/28/01.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Emily Sano, Director, Asian Art Museum; Ryan Brooks, Director, Department of Administrative Services; Harry Parker, Director, Fine Arts Museums; Susan Hildreth, City Librarian; Debra Newman, Budget Analyst's Office; George Engleman, Public Library; Marcia Bell, Librarian, Law Library; Theodore Lakey, Deputy City Attorney; Elizabeth Goldstein, General Manager, Recreation and Park Department; Robert Jenkins, Director, Steinhart Aquarium, Academy of Sciences; Edward Harrington, Controller; Elizabeth Murray, Director, War Memorial; John Martin, Director of Airports; Bill Berry, Assistant General Manager, Finance and Administration, Public Utilities Commission; Supervisor Daly; Frank Chiu, Director, Department of Building Inspection; Ken Bruce, Budget Analyst's Office; Thera Bradshaw, Executive Director, Emergency Communications Department; Richard Hillis, Business and Economic Development Department; Stephen Proud, Director of Development, Treasure Island Development Authority; Lawrence Klein, Assistant General Manager, Operations, Public Utilities Commission; Stan Jones, Budget Analyst's Office; Laurie Park, Acting General Manager, Hetch Hetchy Water and Power; Edward Smeloff, Assistant General Manager, Power Policy, Public Utilities Commission; Douglas Wong, Executive Director, Port; Ben Kutnick, Finance Director, Port; Fred Hamdun, Executive Director, Department of Parking and Traffic; Liza Lowery, Director, Department of Telecommunications and Information Services; Edwin Lee, Director, Department of Public Works; Tina Olsen, Department of Public Works; Supervisor Ammiano; Steve Kawa, Mayor's Office.
Combined with File 011040.

COMBINED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011040 **[Annual Budget, FY 2001-2002]**

Mayor

Hearing to consider the Annual Budget for Fiscal Year 2001-2002. (Mayor)

(Companion Files 011041, 011042, 011043, 011044, 011045.)

6/4/01, RECEIVED AND ASSIGNED to Finance Committee. Scheduled for public testimony on Saturday, June 16, 2001, at 9:00 a.m. (See Files 011043, 011044, and 011045 for departmental hearings and review.)

6/16/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Supervisor Dally; John Crowley (Office of Labor Standards Enforcement); Stan Warren (Office of Labor Standards Enforcement); Stan Smith (Office of Labor Standards Enforcement); Gary Bieringer, Huckleberry Youth Program; Linda Asato, Executive Director, Wu Yee Children's Services (child care); Maria Garcia, SOMA Child Care (child care); Judith Baker, South of Market Child Care (child care); Susan Jeong, Coordinator, San Francisco Child Care Association (child care); Marie Jobling, Director, Planning for Elders in the Central City (seniors and disabled); Joe Lacey, Advisory Committee to the Commission on Aging (money for seniors and disabled); Kate Godsey, Clinical Director, Jail Psychiatric Services (jail health services budget item); Yu Ling Ma (child care); Dr. Carlina Hansen, Women's Community Clinic (add-back funds for clinic); Female Speaker (Recreation and Park Department); Female Speaker (recreation program); Marc McClure, Consumers in Action for Personal Assistance (In Home Supportive Services); Debra Howell, lead researcher, In Home Supportive Services Soc. Pilot Project; Douglas Dietrich, Planning for Elders in the Central City (In Home Supportive Services Soc. Pilot Project); Ryan Byars, Children's Council of San Francisco (child care Bridge subsidy); Glynn Washington, Human Services Network (cost of living adjustment measure for non-profits); Christina Wong, Policy Analyst, Chinese for Affirmative Action (funding for Equal Access to Services ordinance); Kara Dukakis, Director, Children's Council of San Francisco (child care Bridge subsidies); Mary Harris, Parent Advocates for Youth (youth budget issues); Sam Hughes, M.D., San Francisco General Hospital, Department of Anesthesia (increased funding for contract between City and University of California, San Francisco); Susan Jacobson, Executive Director, San Francisco General Hospital Foundation (increased funding for contract between City and University of California, San Francisco); Talmadge King, M.D., Chief of Medical Services, San Francisco General Hospital (increased funding for contract between City and University of California, San Francisco); Jennifer Friedenbach, Coalition on Homelessness (People's Budget); Caroline Vance, San Francisco Child Care Providers Association (wants $1.5 million for San Francisco Cares); Belinda Lyons, Program Director, Mental Health Association of San Francisco (funding for mental health services); Maya Norberg, Coalition on Homelessness (People's Budget); Anamaria Loya, Executive Director, La Raza Central Legal (People's Budget); Female Speaker; Martin Rodriguez (Day Laborer Program); Renee Saucedo; Mark Parker (Day Laborer Program); Jose Echeverria, San Francisco Day Laborers Program (funding for day laborers' program); Mai-Mai Ho, Executive Director, Asian Perinatal Advocates (funding for Asian Perinatal Advocates in-home support services program); Isabel Wade (trees and parks); Brad Herbert, President, Health Initiatives for Youth (Office of Adolescent Health); Female Speaker, represents Robert Brackens (Bayview Hunters Point Community Beacon Center); Michael McKechnie, Executive Director, Strybing Arboretum Society (parks); Ed Decker, New Conservatory Theatre Center (youth arts funding); Nora Roman, Coalition to Save Public Health (Health Department budget cuts); Rajeev Venkayya, M.D., Co-Director, Intensive Care and Asthma Center, San Francisco General Hospital (General Hospital funding); Alan Martinez, Vice President, Friends of 1800 Market (City Planning budget); Diane Eames, Friends of the Urban Forest (financing of street trees); Teresa Palmer (physician at Laguna Honda Hospital), Emer. Coalition to Save Public Health (Health Department budget cuts); Margaret Wheeler, San Francisco General Hospital (wants support for General Hospital); Natalie Brutto, Vice President, Family Child Care Association (child care subsidies); Sonia Ng, AOH (affordable housing); Tsui Yip, AOH (low-income housing); Amy Powell, Board Member, Friends of the Urban Forest (funding for Friends of the Urban Forest); Lisa Grey Garcia (People's Budget); Mike Sullivan, Volunteer, Friends of the Urban Forest (restore funding for Friends of Urban Forest and Tree Corporation Program); Alexis Harte, Friends of the Urban Forest (trees); Stuart Kaufman, Friends of the Urban Forest (trees); Brenda Altman, Friends of the Urban Forest (trees); John Bardis (budget process); Chris Buck, Education Coordinator, Friends of the Urban Forest (funding for street tree programs); Janet Goy, Executive Director, CATS (cost of living adjustments for non-profit agencies); Roger Gordon, Executive Director, South of Market Foundation (Redevelopment budget); Barbara Bell, Hearing Society (funds for the disabled); Ruth F. Miller, Health Care Action Team (In-Home Supportive Services Soc.); Maurice James (youth issues); Robert Hector (youth issues); Guadalupe Portillo (home care providers); Cary Yurk, General Manager, CRDC Maintrain (Maintenance Training Corporation), (funding for sidewalk and steam cleaning services in Chinatown); Richard Price, M.D., Chief of Neurology Services, San Francisco General Hospital (General Hospital/Department of Public Health budget); Sofia Velacruz (home care workers); Bill Shechter, M.D., Chief of Surgery, San Francisco General Hospital (General Hospital/Department of Public Health budget); Female Speaker (read Jonathan Frank's testimony), (paramedics); Erica Choy (Family link for Mental Health); Yvonne Cudney, staff attorney, Eviction Defense Collaborative (RADCO); Kevin Smith (RADCO); Liz Thornton, Rental Assistance Disbursement (RADCO and People's Budget); Starr Davies (funds for RADCO); Bill Taeusch, M.D., Chair of Pediatrics, San Francisco General Hospital (General Hospital/Department of Public Health budget); Susan Stryker, Gay, Lesbian, Bisexual, Transgender Historical Society (Museum Feasibility Study); Jacqueline Tulsky, M.D., San Francisco General Hospital, AIDS Division (health care funding); Kent Woo (standing in for Caroline Vance), (child care); Jennifer Wong, Chinatown Community Development Center - Adopt an Alley Way Youth Project (budget add-back); Jane Kim, Chinatown Community Development Center - Adopt an Alley Way Youth Project (budget add-back); Leroy Moore, Disability Advocate of Minorities Organization (jobs); Nancy Lim Yee, Association for Chinese Families of the Disabled (funding for programs for children and families); Michael Kwok, Planning for Elders (Department of Human Services - Home Care); Leah Goodwin, San Francisco Beacon Initiative - Community Network for Youth Development (DCYF funds); Stephanie Crispie, Sunset Neighborhood Beacon Center (Beacon Center funding); Rosie Kennedy, President, San Francisco Family Day Care Association (family child care); Hollice Holman, In Home Supportive Serivces Consortium (benefits for home care workers); Mable Seto; Steve Allen, In Home Supportive Services Home Care worker (home care); Juno Duenas (Family Links to Mental Health Services); Susan Larara, Parents Voices (child care for homeless families); Cynthia Christcole, Parents Voices (children's issues); Richard Heasley, Mental Health Contractors (cost of living adjustments for mental health workers); Rosy Han (Asian Perinatal Advocates In-Home Program); Alicia Duke (home care); Rusry Brown (home care); Luis Calderon, San Francisco In-Home Supportive Services Public Authority (funding for home care); Hang Fa Fan, Asian Perinatal Advocates (funding for Asian Perinatal Advocates); Feng Ying Chen (wants support for Asian Perinatal Advocates); Howard Grayson, Local 250 - In-Home Supportive Services Public Authority (benefits for in-home health care workers); Barbara Coleman (in-home workers); Denise D'Anne (conserving trees); Female Speaker (funding for Asian Perinatal Advocates); Female Speaker, works for Asian Perinatal Advocates (Asian Perinatal Advocates in- home support servivces); Female Speaker (funding for Asian Perinatal Advocates in-home support services); Female Speaker (Asian Perinatal Advocates); Evelyn, works at Asian Perinatal Advocates (funding for Asian Perinatal Advocates); Lily Zhou (supports Asian Perinatal Advocates in home program); Diosa Mitra, Asian Perinatal Advocates (supports Asian Perinatal Advocates in home program); Angela Siharath, Family Child Care Association (Provider Support Center - funding); Male Speaker (supports People's Budget); Christine Taylor (transgender peer counseling); Mary Thomas (support for families with special needs); Marc Salomon; E. Castillo (funding for Tuberculosis control); John Avalos, Coleman Advocates for Children and Youth; Maria, Youth Commissioner (Juvenile Probation bufdget); Michelle, Treasurer, Family Care Association (funding for families); John Ricker, Executive Director, Peaceful Streets (gun violence education); Linda Zaretsky, Bayview Hunters Point Foundation; Norma Faris Taylor, Sistah Sistah Program (prevention services; Frederick Hobson, San Francisco Health Authority; Desiree (supports Asian Perinatal Advocates); Dr. Culver (Tuberculosis control); Ms. Trang; Mr. Young (Tuberculosis control); Mr. Lee (funding for Tuberculosis control); Gloria Tan, Executive Director, Gun Moon Women's Residence; Damon Hill, President, Juvenile Probation Commission (Uuvenile Probation budget); Sondra Felix (funding for child care); Cynthia Joe (Planning Department budget); Supervisor Maxwell.

Heard in Committee. Speakers: Supervisor Ammiano; Steve Kawa, Mayor's Office; Harvey Rose, Budget Analyst.
Recommendations of the Finance Committee concerning Files 011043, 011044, 011045 combined herein; see original files for details of recommendations for each day. The final Budget Analyst Report showing recommendations of thee Finance Committee are in this file; also see Committee's Budget Modifications (addbacks and reserves); to Board July 16, 2001.

PREPARED IN COMMITTEE AS A MOTION.

Motion approving Annual Budget for City and County of San Francisco for Fiscal Year 2001-2002. (Mayor)

(Companion Files 011041, 011042, 011043, 011044, 011045.)

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011041 **[Government Funding for Fiscal Year 2001-2002]**

Mayor

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2002. (Mayor)

(Fiscal impact; Companion Files Companion to Files 011040, 011042.)

6/4/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee.
Amended to reflect the Finance Committee's recommendations. (See file for details.) To Board meeting of July 16, 2001.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011042 **[Public Employment for Fiscal Year 2001-2002]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2002, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

(Fiscal impact; Companion Files Companion to Files 011040, 011041.)

6/1/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee.
Amended to reflect the Finance Committee's recommendations. (See file for details.) To Board meeting of July 16, 2001.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011060 **[Redevelopment Agency Budget and Bonds, Fiscal Year 2001-2002]**

Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2001-2002; and approving the issuance by the Agency of Bonds in an aggregate principal amount not to exceed $60,000,000 for the purpose of financing Redevelopment activities in fiscal year 2001-2002. (Redevelopment Agency)

(Fiscal impact.)

5/31/01, RECEIVED AND ASSIGNED to Finance Committee. June 4, 2001: Redevelopment Agency submitted a replacement resolution to correct format errors.

6/21/01, MEETING RECESSED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; James Morales, Executive Director, Redevelopment Agency.
Meeting recessed to June 22, 2001, at 2:00 p.m.

6/22/01, CONTINUED. Heard in Committee. Speakers: Ken Bruce, Budget Analyst's office; Edward Harrington, Controller. Continued to 6/28/01.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; James Morales, Executive Director, Redevelopment Agency. Amended to reflect the recommendations of the Budget Analyst for the Department's Fiscal Year 2001-2002 budget. (See file for details.) To Board meeting of July 16, 2001.

AMENDED.

Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2001-2002, as amended; and approving the issuance by the Agency of Bonds in an aggregate principal amount not to exceed $60,000,000 for the purpose of financing Redevelopment activities in fiscal year 2001-2002. (Redevelopment Agency)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 8:20 p.m.

City and County of San Francisco
Meeting Minutes
Finance Committee

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Clerk: Gail Johnson

Thursday, June 28, 2001 **11:01 AM** **City Hall, Legislative Chamber, Second Floor**

Recessed Budget Review Hearing

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 11:36 a.m.

011043 **[Budget Hearing and Review, FY 2001-2002]**

Hearing to consider the Annual Budget for General Administration and Finance; Public Protection.

(General Administration and Finance: Administrative Services; Assessor/Recorder; Board of Supervisors; City Attorney; Controller; City Planning; Civil Service Commission; Ethics Commission; Human Resources; Mayor; Administrative Services-Office of Contract Administration; Elections; Retirement System; Treasurer/Tax Collector; General City Responsibility.)

(Public Protection: Adult Probation; Administrative Services-Consumer Assurance; Administrative Services-Animal Care and Control; Administrative Services-Medical Examiner;

6/4/01, RECEIVED AND ASSIGNED to Finance Committee. Scheduled for consideration on June 19, 2001 at 1:00 p.m.

6/19/01, CONTINUED. Heard in Committee. Speakers: Steve Kawa, Mayor's Office; Harvey Rose, Budget Analyst; Edward Harrington, Controller; Bill Lee, City Administrator; Theodore Lakey, Deputy City Attorney; Rex Tabora, City Administrator - Solid Waste Management Program; Doris Ward, Assessor-Recorder; Supervisor McGoldrick; Gloria Young, Clerk of the Board; Louise Renne, City Attorney; Kim Manolias, City Attorney's Office; Fred Brouseau, Budget Analyst's Office; Gerald Green, Director, Planning Department; Kate Favetti, Executive Officer, Civil Service Commission; Ginny Vida, Executive Director, Ethics Commission; Andrea Gourdine, Director, Department of Human Resources; Judith Blackwell, Director, Office of Contract Administration, Administrative Services; Clare Murphy, General Manager, Retirement System; Susan Leal, Treasurer; Michael Hennessey, Sheriff; Jean Mariani, Sheriff's Department; Paul Tabacco, Acting Chief, Fire Department; Christine Ragan, Fire Department; Ken Bruce, Budget Analyst's Office; Deputy Chief Bill Welch, Police Department, Administration Bureau; Captain John Goldberg, Police Department, Fiscal Division; Mary Dunlap, Director, Office of Citizen Complaints; Armando Cervantes, Chief Probation Officer, Adult Probation Department; David Frieders, Director of Consumer Assurance; Erin McGrath, Mayor's Budget Office; Dr. Boyd Stephens, Chief Medical Examiner; Gordon Park-Li, Chief Executive Officer, Superior Court; Terence Hallinan, District Attorney; Jesse Williams, Chief Probation Officer, Juvenile Probation Department; Kimiko Burton, Public Defender.
Continued to June 26, 2001.

6/26/01, MEETING RECESSED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ryan Brooks, Director of Administrative Services; Paul Horcher, Director, Solid Waste Management Program; Steve Kawa, Mayor's Office; Representative, Solid Waste Management Program; Edward Harrington, Controller; Ken Bruce, Budget Analyst's Office; Andrea Gourdine, Director, Department of Human Resources; Supervisor Daly; Doris Ward, Assessor-Recorder; John Farrell, Assessor's Office; Supervisor McGoldrick; Gloria Young, Clerk of the Board; Louise Renne, City Attorney; Kim Manolias, City Attorney's Office; Fred Brouseau, Budget Analyst's Office; Gerald Green, Director, Planning Department; Anita Sanchez, Civil Service Commission; Ginny Vida, Executive Director, Ethics Commission; Debra Newman, Budget Analyst's Office; Judith Blackwell, Director, Office of Contract Administration; Clare Murphy, General Manager, Retirement System; Susan Leal, Treasurer; Armando Cervantes, Chief Probation Officer, Adult Probation Department; David Frieders, Director of Consumer Assurance; Carl Friedman, Animal Care and Control; Dr. Boyd Stephens, Chief Medical Examiner; Judge Kevin McCarthy, Superior Court; Neil Tanaguch; Terence Hallinan, District Attorney; Teresa Serata, District Attorney's Office; Christine Ragan, Fire Department; Paul Tabacco, Acting Chief, Fire Department; Jesse Williams, Chief Probation Officer, Juvenile Probation Department; Kimiko Burton, Public Defender; Deputy Chief Bill Welch, Police Department, Administration Bureau; Captain John Goldberg, Police Department, Fiscal Division; Tom Strong, Police Department, Budget Office; Michael Hennessey, Sheriff; Theodore Lakey, Deputy City Attorney.
Meeting recessed to June 28, 2001, at 11:00 a.m.

Heard in Committee.
Combined with File 011040.

COMBINED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011044 **[Budget Hearing and Review, FY 2001-2002]**

Hearing to consider the Annual Budget for Human Welfare and Neighborhood Development; Community Health.

Municipal Transportation Agency
(Human Welfare and Neighborhood Development: Commission Adult and Aging; Child Support Services Department; Children and Families Commission; Children, Youth & Their Families; Human Services; Environment; Human Rights Commission; Rent Arbitration Board; Department on the Status of Women.)

(Community Health - Department of Public Health: Public Health-Community Health Network; Public Health-Public Health.)

(Board of Appeals)

(Companion to File 011040.)

6/1/01, RECEIVED AND ASSIGNED to Finance Committee. Scheduled for consideration on June 20, 2001, at 1:00 p.m.

6/20/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Sandra Nathan, Executive Director, Department of Aging and Adult Services; Deborah Alvarez, Director, Department of Children, Youth and Their Families; Julie Brenman, Director of Planning and Budget, Department of Human Services; Steve Kawa, Mayor's Office; Supervisor McGoldrick; Daniel Kim, Budget/Legislative Affairs Manager, Department of Human Services; Edward Harrington, Controller; David Assamann, Deputy Director, Department of the Environment; Virginia Harmon, Interim Director, Human Rights Commission; Joseph Grubb, Executive Director, Rent Stabilization and Arbitration Board; Rosario Navarette, Interim Executive Director, Department on the Status of Women; Robert Feldman, Executive Secretary, Board of Appeals; Dr. Mitchell Katz, Director, Department of Public Health; Ken Bruce, Budget Analyst's Office.
Continued to June 27, 2001.

6/27/01, MEETING RECESSED. Heard in Committee. Speakers: Michael Bums, Director, Municipal Transportation Agency; Director, Child Support Serices Department; Rick Spear, Executive Director, Children and Families Commissionl; Harvey Rose, Budget Analyst; John Clark, Deputy Director, Aging and Adult Services; Deborah Alvarez, Director, Department of Children, Youth and Their Families; Edward Harrington, Controller; Trent Rhorer, Executive Director, Department of Human Services; Representative, Budget Analyst's Office; David Assaman, Deputy Director, Department of the Environment; Virginia Harmon, Executive Director, Human Rights Commission; Joseph Grubb, Executive Director, Rent Stabilization and Arbitration Board; Rosario Navarette, Interim Executive Director, Department on the Status of Women; Dr. Mitchell Katz, Director, Department of Public Health; Ken Bruce, Budget Analyst's Office; Monique Zmuda, Chief Financial Officer, Department of Public Health.
Meeting recessed to June 28, 2001, at 11:00 a.m.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.
Combined with File 011040.

COMBINED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 8:20 p.m.

Susan Hom
Main Library-Govt. Doc. Section

3F
390.25
7
/28/01

CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
JUN 2 8 2001
SAN FRANCISCO
PUBLIC LIBRARY

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 26, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2001-2002 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Finance Committee budget review.

Finance Committee Budget Review- June 28, 2001, 11:00 a.m.

Page

Culture and Recreation

AAM Asian Art Museum 1
ART Art Commission 6
CFM Administrative Services - Convention Facilities 9
FAM Fine Arts Museums 16
LIB Public Library 19
LLB Law Library 29
REC Recreation and Park 31
SCI Academy of Sciences 42
USD County Education Office 44
WAR War Memorial 46

Page

Public Works, Transportation and Commerce

AIR Airport 50
CWP Clean Water 63
DBI Building Inspection 69
ECD Emergency Communications 81
ECN Business & Economic Development 86
HHP Hetch Hetchy Project 99
LHP Light, Heat and Power 107
PAB Board of Appeals 111
PRT Port 114
PTC Parking and Traffic 126
PUC Public Utilities Commission 135
TIS Telecommunications & Information Services 147
WTR Water 157
DPW Public Works 163
RED San Francisco Redevelopment Agency 184
CAP Capital Projects 196

Harvey M. Rose

Harvey M. Rose

cc:
Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
President Ammiano
Supervisor Daly
Supervisor Hall
Supervisor Maxwell
Supervisor McGoldrick
Supervisor Newsom
Supervisor Sandoval
Supervisor Yee
Clerk of the Board
Controller
Steve Kawa

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

DEPARTMENT: AAM ASIAN ART MUSEUM

FINANCIAL DATA:

The Asian Art Museum's proposed $3,449,262 budget for FY 2001-02 is $1,577,200 or 84.25 percent more than the original FY 2000-01 budget of $1,872,062. The net increase from the revised FY 2000-01 budget is $1,291,067 or 59.82 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ASIAN ART MUSEUM	$ 1,872,062	$ 2,158,195	$ 3,449,262	$ 1,577,200
Total Expenditures	$ 1,872,062	$ 2,158,195	$ 3,449,262	$ 1,577,200

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 30.39 FTEs, which is 20.59 FTEs more than the 9.8 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ASIAN ART MUSEUM	9.80	9.80	30.39	20.59
Totals	9.80	9.80	30.39	20.59

Department: AAM ASIAN ART MUSEUM (continued)

Of the 20.59 new full-time positions, 18 FTE positions are permanent positions and 2.59 FTEs are temporary positions. The 18 permanent positions include (a) 14 positions that are being transferred from the Fine Arts Museum budget, including 12 8226 Museum Guards, one 8228 Senior Museum Guard and one 7334 Stationary Engineer, and (b) four new positions, including one AC30 Director, Museum Security Services, one 7120 Building and Grounds Maintenance Superintendent and two 8228 Senior Museum Guards. Details on the 18 permanent positions are as follows:

Position	Classification	No. of Positions	Annual Salary Per Position at Top Step	Total Salary at Top Step
Director of Museum Security Services	AC30	1.0	$82,370	$82,370
Building and Grounds Maintenance Superintendent	7120	1.0	84,596	84,596
Stationary Engineer	7334	1.0	58,107	58,107
Museum Guard	8226	12.0	46,430	557,162
Senior Museum Guard	8228	3.0	51,697	155,091
Total		18.0		$937,326

The Budget Analyst has previously recommended approval of the 14 positions to be transferred from the Fine Arts Museum and the four new positions shown in the table above as interim budget exceptions in the FY 2001-02 Interim Annual Appropriation Ordinance.

As shown in the table below, the Asian Art Museum has an existing 1368 Special Assistant IX position that is authorized by the Human Resources Department. This position has been filled since July 1, 2000.

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1368	Special Assistant IX	$60,709	Filled

Department: AAM ASIAN ART MUSEUM **(continued)**

DEPARTMENT REVENUES

Department revenues have increased by $342,782 or 18.31 percent and General Fund support has increased by $ 1,234,418.

DESCRIPTION

The Asian Art Museum is maintained and operated by the non-profit corporation, Asian Art Museum Foundation, with a proposed budget in FY 2001-02 of $8,700,000. Of the total budget of $8,700,000, the City would contribute $3,449,262 or 39.6 percent and the remaining amount of $5,250,738 or 60.4 percent is funded from private donations and admission revenues. The City currently funds 10 curatorial staff, as well as monies to supplement education, conservation, and exhibition programs, and services of other City departments, such as light, heat and power, and telecommunication services. In FY 2001-02, the City will provide an additional 18 full-time positions to provide security services and building and grounds maintenance, including 14 positions which will be reassigned from the Fine Arts Museum budget to the Asian Art Museum budget and four new positions.

The Asian Art Museum will be closing on October 7, 2001 for approximately 10 months in preparation for relocating in July of 2002 from Golden Gate Park to the new Civic Center facility. Of the $1,577,200 increase in the Asian Art Museum budget, major changes are as follows: (a) an increase of $1,377,904 for personnel costs, including 14 positions transferred from the Fine Arts Museum and four new full-time positions, four temporary Museum Guards to provide security services at the Asian Art Museum between July 1, 2001 and October 7, 2001, one temporary administrative position to collect admissions fees between July 1, 2001 and October 7, 2001, and Mandatory Fringe Benefits, and (b) an increase of $148,379 for Services of Other Departments, including two work orders to the Public Utilities Commission for light, heat, and power and for sewer services.

COMMENT

The Mayor's budget provides an increase of $1,577,200. Our recommended reductions, which total $28,556, would still allow an increase of $1,548,644 or 82.7 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: AAM Asian Art Museum

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
2510	001	Permanent Salaries - Misc.				$ 1,648,262	$ 1,638,889	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
2512	001	Attrition Savings	9993M	0	(0.17)	0	(9,373)	$9,37
		Increase Attrition Savings to one percent of the $937,326 increase in Permanent Salaries from 18 new positions including (a) 12 8226 Museum Guards, one 8228 Senior Museum Guard, and one 7334 Stationary Engineer reassigned from the Fine Arts Museum budget to the Asian Art Museum, and (b) four new positions, including one AC30 Director, Museum Security Services, one 7120 Building and Grounds Maintenance Superintendent, and two 8228 Senior Museum Guards. Increase in Attrition Savings is one percent of increase in Permanent Salaries due to the Department's historically low rate of attrition.						
2510	005	Temporary Salaries	TEMPM			96,633	80,150	16,43
		To reduce expenses for Temporary Salaries to the minimum essential for effective operations. The M.H. de Young Museum and the Asian Art Museum are currently located in the same building in Golden Gate Park. Security services for the Asian Art Museum's portion of the shared building are currently funded in the Fine Art Museum Budget. Because the M.H. de Young Museum will vacate its portion of the building by July of 2001 for renovation, the Asian Art Museum's proposed FY 2001-02 budget includes the reassignment of 12 8226 Museum Guard positions and one 8228 Senior Museum Guard position from the Fine Arts Museum budget to the Asian Art Museum. Further, Temporary Salaries for security services have historically been included in the Fine Arts Museum budget. The Asian Art Museum did not include any funds for Temporary Salaries in their FY 2000-01 budget. Our recommended reduction of $16,483 would still provide sufficient funds to the Asian Art Museum to hire 4 temporary 8226 Museum Guards from July 1, 2001 through October 7, 2001 while the Asian Art Museum is open to the public. Our recommended reduction in Temporary Salaries would also provide sufficient funds for temporary security staff from October 7, 2001 through June 30, 2001 on as-needed basis while the Asian Art Museum is closed to the public.						

Department: AAM Asian Art Museum

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2510	013	Mandatory Fringe Benefits Corresponds to reduction in Permanent Salaries - Misc. and Temporary Salaries.				$426,298	$423,598	$2,700
		Total Recommended Reductions						$28,556

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: ART ART COMMISSION

FINANCIAL DATA:

The Art Commission's proposed $8,412,074 budget for FY 2001-02 is $1,001,457 or 13.51 percent more than the original FY 2000-01 budget of $7,410,617. The net decrease from the revised FY 2000-01 budget is $822,963 or 8.91 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ART COMMISSION - ADMINISTRATION	$ 937,108	$ 2,437,108	$ 1,032,300	$ 95,192
CIVIC COLLECTION	-	-	-	-
COMMUNITY ARTS & EDUCATION	2,705,602	2,978,205	2,931,618	226,016
CULTURAL EQUITY	2,045,925	2,045,925	2,386,022	340,097
GALLERY	-	15,000	15,000	15,000
MUNICIPAL SYMPHONY CONCERTS	889,144	925,926	925,926	36,782
PUBLIC ART	541,472	496,657	654,891	113,419
STREET ARTISTS	146,766	146,766	156,317	9,551
Total Operating Expenditures	$ 7,266,017	$ 9,045,587	$ 8,102,074	$ 836,057
Capital Improvements & Fac. Maint.	$ 144,600	$ 189,450	$ 310,000	$ 165,400
Total Expenditures	$ 7,410,617	$ 9,235,037	$ 8,412,074	$ 1,001,457
Less: Work Order Recoveries	(607,552)	(772,030)	(723,869)	(116,317)
Net Expenditures	$ 6,803,065	$ 8,463,007	$ 7,688,205	$ 885,140

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 23.31 FTEs, which is 1.5 FTE more than the 21.81 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ART ART COMMISSION (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ART COMMISSION - ADMINISTRATION	9.26	9.26	9.31	0.05
COMMUNITY ARTS & EDUCATION	1.50	1.50	1.50	-
CULTURAL EQUITY	2.00	2.00	2.00	-
PUBLIC ART	7.05	7.05	8.50	1.45
STREET ARTISTS	2.00	2.00	2.00	-
Totals	21.81	21.81	23.31	1.50

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1372	Special Asst XIII	$80,571	0951	Deputy Director I	$83,781
Exempt	1	1375	Special Asst XVI	100,328	0961	Department Head I	104,326
Totals	2			$180,899			$188,107

DEPARTMENT REVENUES

Department revenues have increased by $549,742 or 11.52 percent and General Fund support has increased by $335,398 or 16.50 percent. The Art Commission's main source of revenue is an allocation from the City's Hotel Tax, which goes to the Department's Cultural Centers and Cultural Equity Programs. The Controller projects Hotel Tax revenues for FY 2001-02 will be $2,079,000 for the Cultural Centers and $2,354,352 for Cultural Equity, which is a combined increase in revenue for these two programs of $487,226. Other sources of increased revenue are Federal, State and private grants.

DESCRIPTION

The Art Commission's most significant change in expenditures is an increase of $340,097 in the Cultural Equity Program, which provides grant funds to individual artists, and small and midsize arts

Department: ART ART COMMISSION **(continued)**

organizations in all disciplines, as well as for art space initiatives or facilities acquisition programs. This increase in expenditures corresponds to the increase in revenue from the Hotel Tax. These funds are expended in the form of Cultural Equity grants, to such organizations as Frameline, the sponsor of the San Francisco Gay and Lesbian Film Festival Zaccho Dance Theater, Joe Goode Performance Group, Afro Solo, Lorraine Hansberry Theater, Kulintang Arts, etc. The rest of the Cultural Equity Program increase is in salary costs from two upward substitutions, as well as normal salary and fringe benefit adjustments.

The Community Arts & Education Program budget is increasing by $226,016, primarily due to an increase of $251,977 for Professional and Specialized Services, which again corresponds to the increased revenues from the Hotel Tax. The additional funds are proposed for capital projects for the City's four Cultural Centers (i.e., (1) South of Market Cultural Center, (2) Bayview Opera House Cultural Center, (3) Mission Cultural Center and the (4) Western Addition Cultural Center), including window and roof replacement at the South of Market Cultural Center and asbestos abatement at the Bayview Opera House Cultural Center. Other increases are due to normal salary adjustments and one upward substitution. These increases are partially offset by spending decreases from projects that have ended in FY 2000-01.

The Public Art Program budget is increasing by $113,419, which is due to the upward substitution of 4.5 FTE positions. The Administration Division's budget has increased by $95,192, due primarily to a $98,208 increase in salary and fringe benefit cost, resulting from two Special Assistant reclassifications and the upward substitution of 5.53 FTE positions. Within the Administration Division, the Services to Other Departments expenditures are also increasing by $36,984, because of higher utility rates at the Cultural Centers. In FY 2000-01, the Administration Division provided a $1,500,000 one-year rent subsidy program, for artists whose rents in San Francisco were increasing. The increases in other program budgets are due mainly to salary adjustments.

The proposed budget also includes $165,400 for capital improvements, including funds to restore the James A. Garfield monument in Golden Gate Park and the Dewey Monument in Union Square.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: CFM - ADMINISTRATIVE SERVICES – CONVENTION FACILITIES MANAGEMENT

FINANCIAL DATA:

The Convention Facility Management's proposed $86,449,520 budget for FY 2001-02 is $13,203,750 or 18.03 percent more than the original FY 2000-01 budget of $73,245,770. The net increase from the revised FY 2000-01 budget is $12,953,750 or 17.63 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
BUILDING OPERATIONS	$ 5,296,026	$ 5,296,026	$ 5,485,931	$ 189,905
CONVENTION FACILITIES PROGRAM MANAGEMENT	52,984,744	52,984,744	51,407,165	(1,577,579)
GRANTS FOR THE ARTS	-	250,000	-	-
MOSCONE EXPANSION PROJECT	-	-	-	-
Total Operating Expenditures	$ 58,280,770	$ 58,530,770	$ 56,893,096	$ (1,387,674)
Capital Improvements & Fac. Maint.	$ 14,965,000	$ 14,965,000	$ 29,556,424	$ 14,591,424
Total Expenditures	$ 73,245,770	$ 73,495,770	$ 86,449,520	$ 13,203,750
Less: Work Order Recoveries	(70,000)	(70,000)	-	70,000
Net Expenditures	$ 73,175,770	$ 73,425,770	$ 86,449,520	$ 13,273,750

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 67.26 FTEs, which is 1.25 FTE more than the 66.01 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: CFM ADMINISTRATIVE SERVICES – CONVENTION FACILITIES MANAGEMENT **(continued)**

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
BUILDING OPERATIONS	61.11	61.11	62.37	1.26
CONVENTION FACILITIES PROGRAM MANAGEMENT	4.90	4.90	4.89	(0.01)
Totals	66.01	66.01	67.26	1.25

The Department has requested that the following Special Assistant positions be reclassified:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.00	1362	Special Assistant III	$39,411	1364	Special Assistant V	$45,518
Exempt	1.00	1367	Special Assistant VIII	56,402	1369	Special Assistant X	65,615
Exempt	1.00	1370	Special Assistant XI	70,627	1371	Special Assistant XII	75,951
Exempt	1.00	1370	Special Assistant XI	70,627	0922	Manager V	83,781
Exempt	1.00	1372	Special Assistant XIII	80,571	0931	Manager VII	96,998
Exempt	1.00	1376	Special Assistant XVII	107,976	0933	Manager IX	112,278
Totals	6.00			$425,614			$480,141

Remaining Special Assistant Positions

Exempt/ Provisional	Count	Class	Title	Salary	Filled/ Vacant
Exempt	1.00	1361	Special Assistant II	$36,444	Filled
Exempt	1.00	1364	Special Assistant V	45,518	Filled
Exempt	1.00	1367	Special Assistant VIII	56,402	Filled
Exempt	2.00	1368	Special Assistant IX	121,418	Filled
Exempt	2.00	1369	Special Assistant X	131,230	Filled
Exempt	2.00	1371	Special Assistant XII	151,902	Filled
Totals	9.00			$542,914	

Department: CFM ADMINISTRATIVE SERVICES – CONVENTION FACILITIES MANAGEMENT **(continued)**

DEPARTMENT REVENUES

Department revenues have increased by $41,420,269 or 60.04 percent and General Fund support has increased by $509,905 or 12.20 percent.

DESCRIPTION

In FY 2001-02, the Department's proposed budget increase is $13,203,750. This increase is comprised primarily of the following changes:

1. $210,694 for permanent salary costs related to upward substitutions, annualization of new positions approved for partial year funding in FY 2000-01, and the reclassification of 6.00 FTE special assistant positions to other classifications, plus increased mandatory fringe benefits costs.
2. $25,000 for premium pay due to MOU expansion of the range of hours eligible for shift pay.
3. $1,019,858 for the ongoing Moscone Joint Venture contract with SMG and Phigpen Limited to manage the Moscone Center, to cover the following cost increases:
   (a) Market rate adjustments to manager salaries ($58,500). Individual managers receive salary increases of between 3 and 4 percent based on (a) an evaluation of management salaries at comparable convention facilities in California, (b) the International Association of Assembly Managers salary database, and (c) a review of a variety of human resource consultants' databases.
   (b) The addition of four new staff in the Security/Traffic Control Department to deal with the increasing vehicular and pedestrian traffic volume in the Yerba Buena area ($261,000).
   (c) An increase in workers compensation ($43,000).
   (d) Cost of living salary adjustments for 214 FTE positions ($404,800).
   (e) Increased equipment maintenance and replacement costs related to the retrofit of Moscone Center South escalators, less decreased utilities costs ($252,558).
4. $116,265 for the San Francisco Convention and Visitors Bureau contract. In FY 2001-02, the San Francisco Convention and Visitors Bureau will receive Hotel Tax revenue in the amount of $8,653,865, a $116,265 increase over its FY 2000-01 Hotel Tax revenue of $8,537,600. In both FY 2000-01 and FY 2001-02, the Hotel Tax revenue represents approximately 55.1 percent of the San Francisco Convention and Visitors Bureau's total revenue ($15,248,580 in FY 2000-01, and $15,714,300 in FY 2001-02). The balance the San Francisco Convention and Visitors Bureau's total revenue is generated by members' dues, publications, special promotions, and advertising that are not included in the City Budget.
5. $461,333 for a lease agreement with the Port for the Marshalling Yard at Pier 70, as approved by the Board of Supervisors in November of 1999. The Marshalling Yard is used as a staging area for all trucks which bring merchandise to the Moscone Center.

Department: CFM ADMINISTRATIVE SERVICES – CONVENTION FACILITIES MANAGEMENT **(continued)**

6. $67,120 for scheduled increases in the Lease Revenue Bond payments for Moscone Center Phase II.
7. $29,350 for the one-time purchase of replacement components of the City Hall video and security system.
8. $13,741,424 for the Moscone Center Expansion Project for an increase in the Moscone Expansion Project construction contract for steel erection, exterior cladding application, and mechanical systems installation.

These increases are offset by reductions in overtime, overhead costs, building rent, facilities maintenance, equipment purchase, and utilities.

COMMENT

The Mayor's budget provides an increase of $13,203,750. Our recommended reductions, which total $50,386, would still allow an increase of $13,153,364 or 17.96% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: CFM - Convention Facilities Management

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
AD Convention Facilities Program Management								
562	001	Permanent Salaries - Misc.				$345,469	$327,956	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
567	001	Attrition Savings - Misc.	9993M	0.00	(0.21)	0	(17,513)	$17,513
		Increase Attrition Savings - Misc. by $17,513 to offset the effect of the Department's upward substitution of (1) a 5504 Project Manager II position to a 0931 Manager VII position, and (2) a 1372 Special Assistant XIII position to a 0931 Manager VII position. These upward substitutions resulted in increased salary and fringe benefit costs during the past year without the approval of the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit costs, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
62	013	Mandatory Fringe Benefits				79,154	75,323	3,831
		Corresponds to reductions in Attrition Savings.						
E G Building Operations								
64	001	Permanent Salaries - Misc.				2,916,828	2,906,786	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CFM - Convention Facilities Management

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi
2569	001	Attrition Savings - Misc.	9993M	(3.31)	(3.52)	($161,986)	($172,028)	$10,

Increase Attrition Savings - Misc. by $10,042 to offset the effect of the Department's upward substitution of (1) a 1362 Special Assistant III position to a 1364 Special Assistant V position, and (2) a 1367 Special Assistant VIII position to a 1369 Special Assistant X position. These upward substitutions were partially offset by the downward substitution of a 2786 General Services Manager position to a 2720 Janitorial Services Supervisor. These upward substitutions resulted in increased salary and fringe benefit costs during the past year without the approval of the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit costs, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.

2564	011	Overtime				65,000	61,745	3,

Further decrease overtime to reflect the increased salary and Mandatory Fringe Benefit costs generated by the upward substitutions of (a) the 2.00 FTE 1370 Special Assistant XI positions to the 2.00 FTE 1371 Special Assistant XII positions, and (b) the 1.00 FTE 1371 Special Assistant XII position to a 1.00 FTE 0922 Manager V position.

2564	013	Mandatory Fringe Benefits				822,459	819,750	2,7

Corresponds to reductions in Attrition Savings.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: **CFM - Convention Facilities Management**

age No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
65	060	Equipment Purchase				$94,500	$81,464	*

* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.

70	060	Mini-autoscrubber	CF004N	1.00	1.00	9,000	8,984	$16
70	060	Carpet & Floor Vacuum	CF005N	1.00	1.00	5,500	5,176	324
70	060	Carpet Cleaning System	CF006N	1.00	1.00	13,500	13,309	191
70	060	Portable Air Conditioners	CF007N	2.00	2.00	12,000	11,675	325
270	060	JVC Video Camera	CF008N	1.00	0.00	6,500	0	6,500
270	060	Event Management System	CF009R	1.00	1.00	10,000	7,734	2,266
270	060	Employee ID Card System	CF010R	1.00	1.00	7,000	6,441	559
270	060	Media Audio Computers	CF011R	2.00	2.00	18,000	17,320	680
270	060	JVC Video Cameras	CF012R	2.00	2.00	13,000	10,825	2,175

Reduce the Equipment Purchase budget by $13,036, comprising:

(1) $6,500 for a JVC Video Camera as the Department has budgeted for three video cameras when it only requires two.
(2) $6,536 to reflect actual vendor quotes.

Total Recommended Reductions $50,386

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: FAM FINE ARTS MUSEUM

FINANCIAL DATA:

The Fine Arts Museum's proposed $7,038,634 budget for FY 2001-02 is $865,176 or 10.95 percent less than the original FY 2000-01 budget of $7,903,810. The net decrease from the revised FY 2000-01 budget is $1,638,836 or 18.89 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMISSIONS	$ 2,038,000	$ 2,796,660	$ 1,227,800	$ (810,200)
OPER & MAINT OF MUSEUMS	5,790,810	5,805,810	5,760,834	(29,976)
Total Operating Expenditures	$ 7,828,810	$ 8,602,470	$ 6,988,634	$ (840,176)
Capital Improvements & Fac. Maint.	$ 75,000	$ 75,000	$ 50,000	$ (25,000)
Total Expenditures	$ 7,903,810	$ 8,677,470	$ 7,038,634	$ (865,176)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 65.49 FTEs, which is 11.06 FTEs less than the 76.55 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: FAM FINE ART MUSEUM (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMISSIONS	3.89	3.89	3.21	(0.68)
OPER & MAINT OF MUSEUMS	72.66	72.66	62.28	(10.38)
Totals	76.55	76.55	65.49	(11.06)

The reduction of 11.06 FTEs in the proposed FY 2000-01 budget results from the reassignment of 14.0 FTE positions (one Stationary Engineer, 12 Museum Guard positions and one Senior Museum Guard) from the Fine Arts Museums budget to the Asian Art Museums budget, and the deletion of 2.5 FTE vacant positions (2 Institutional Police Sergeants and 0.5 Museum Guards) offset by an decrease in attrition savings. The proposed budget contains no new positions or upward substitution of positions.

The Fine Arts Museum does not include any Special Assistant positions.

DEPARTMENT REVENUES

Department revenues have decreased by $135,181 or 2 percent and General Fund support has decreased by $729,995 or 63.70 percent.

DESCRIPTION

The Fine Arts Museums include the Palace of the Legion of Honor and the de Young Museum. The de Young Museum closed to the public on December 31, 2000 for renovation. Beginning in July of 2001, the collection will be stored for approximately four years at an offsite storage facility. Demolition of the existing de Young Museum and construction of the new de Young Museum is scheduled to begin in early 2002, and the new de Young Museum is expected to open in July of 2005.

Department: FAM FINE ART MUSEUM **(continued)**

The non-profit Corporation of the Fine Arts Museum (COFAM) provides most of the curatorial, conservation, education, exhibitions, fund-raising and administration staff for the de Young Museum and the Palace of the Legion of Honor. The positions funded in the FY 2001-02 Fine Arts Museum budget include 50 security guards, 7 building maintenance staff, 5 curatorial staff, and 3 administrative staff. The Fine Arts Museum staff funded in the FY 2001-02 will provide security and maintenance services for the following locations: (1) Palace of the Legion of Honor, (2) de Young Art Center in the Sunset District (educational center), (3) Post Street administrative offices, and (4) the de Young offsite storage facility.

The M.H. de Young Museum and the Asian Art Museum have been located in the same building in Golden Gate Park since 1966. With the closure of the de Young Museum, the FY 2001-02 Fine Arts Museum budget will no longer include security guard and building maintenance staff for the Asian Art Museum's portion of the shared building. The Fine Arts Museum has reassigned 13 museum security positions and one Stationary Engineer position to the Asian Arts Museum budget. The Fine Arts Museum budget continues to include 24-hour security services at the Palace of the Legion of Honor and at the de Young Museum offsite storage facility.

The net decrease in the Fine Arts Museum total expenditures from the FY 2000-01 original budget is $865,176. The expenditure decrease in the proposed FY 2001-02 budget is primarily related to:

- $273,576 decrease in Permanent Salaries;
- $53,468 decrease in Temporary Salaries;
- $28,006 increase in Overtime to adjust the Fine Arts Museum budget in FY 2001-02 for security services at the Palace of the Legion of Honor and the de Young off-site storage facility to actual Overtime expenditures in FY 1999-2000 and FY 2000-01;
- $34,966 decrease in Holiday Pay;
- $82,633 decrease in Mandatory Fringe Benefits;
- $25,000 decrease in Facilities Maintenance;
- $361,930 increase in Services of Other Departments, primarily for light, heat and power; and
- $785,301 decrease in Unappropriated Revenue. According to Mr. Steve Dykes of the Fine Arts Museum, Unappropriated Revenue is net admissions revenue that is paid by the Fine Arts Museum to COFAM as a reimbursement for Museum services. This decrease is due to the closure of the de Young Museum.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: LIB PUBLIC LIBRARY

FINANCIAL DATA:

The Public Library's proposed $75,886,626 budget for FY 2001-02 is $27,066,860 or 55.44 percent more than the original FY 2000-01 budget of $48,819,766. The net increase from the revised FY 2000-01 budget is $25,638,571 or 51.02 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Increase (Decrease) From 2000-2001 Original Budget
AUTOMATION	$ 2,243,091	$ 2,296,936	$ 2,501,486	$ 258,395
BRANCH PROGRAM	11,394,386	11,458,316	12,027,556	633,170
CHILDREN'S BASELINE	4,320,976	5,227,454	5,603,027	1,282,051
CHILDREN'S FUND PROGRAMS	-	-	-	-
COMMUNITY ARTS & EDUCATION	-	310,718	-	-
INFORMATION AND RESOURCE MANAGEMENT	5,121,196	5,649,666	5,011,383	(109,813)
LIBRARY ADMINISTRATION	2,544,394	2,458,618	2,689,922	145,528
MAIN PROGRAM	11,541,099	11,282,099	12,101,619	560,520
NON-CHILDREN'S FUND PROGRAMS	450,463	434,214	452,237	1,774
OPERATIONS AND MAINTENANCE	5,927,887	6,072,525	6,571,013	643,126
PUBLIC AFFAIRS	894,149	894,149	993,235	99,086
TECHNICAL SERVICES	3,392,125	3,392,125	3,645,778	253,653
Total Operating Expenditures	$ 47,829,766	$ 49,476,820	$ 51,597,256	$ 3,767,490
Capital Improvements & Fac. Maint.	$ 990,000	$ 771,235	$ 24,289,370	$ 23,299,370
Total Expenditures	$ 48,819,766	$ 50,248,055	$ 75,886,626	$ 27,066,860
Less: Work Order Recoveries	(434,214)	(471,714)	(472,237)	(38,023)
Net Expenditures	$ 48,385,552	$ 49,776,341	$ 75,414,389	$ 27,028,837

Department: LIB PUBLIC LIBRARY (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 614.41 FTEs, which is 15.37 FTEs more than the 599.04 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
AUTOMATION	12.31	12.31	12.95	0.64
BRANCH PROGRAM	173.84	173.84	177.51	3.67
CHILDREN'S BASELINE	58.81	65.56	66.88	8.07
CHILDREN'S FUND PROGRAMS	-	-	-	-
COMMUNITY ARTS & EDUCATION	-	-	-	-
INFORMATION AND RESOURCE MANAGEMENT	9.56	9.56	10.07	0.51
LIBRARY ADMINISTRATION	21.81	20.81	22.03	0.22
MAIN PROGRAM	188.90	183.15	183.99	(4.91)
NON-CHILDREN'S FUND PROGRAMS	5.88	5.88	5.88	-
OPERATIONS AND MAINTENANCE	68.31	68.31	72.94	4.63
PUBLIC AFFAIRS	12.27	12.27	13.41	1.14
TECHNICAL SERVICES	47.35	47.35	48.75	1.40
Totals	599.04	599.04	614.41	15.37

SPECIAL ASSISTANT POSITIONS:*

Remaining Special Asssistant Positions

Exempt/ Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1365	Special Assistant VI	$48,729	Filled
Exempt	1	1366	Special Assistant VII	52,435	Vacant
Exempt	1	1369	Special Assistant X	65,615	Filled
Totals	3			$166,779	

*Note: No position changes are included in Special Assistants, although the Library is in the process of reclassifying these positions.

Department: LIB PUBLIC LIBRARY **(continued)**

DEPARTMENT REVENUES

Department revenues have increased by $26,922,276 or 54.53 percent and General Fund support has increased by $3,081,230 or 11.50 percent. Overall, Library revenues are anticipated to total $76,297,828 in FY 2001-02, as compared with $49,375,552 in FY 2000-01, an increase of $26,922,276, primarily resulting from the Capital Improvement and Facilities Maintenance revenues of $24,289,370 to begin the Branch Library Improvement Facilities Improvement Project.

The Library receives its revenue mainly from the Library Preservation Fund, which was initiated in 1994 under Proposition E. As codified in Charter Section 16.109, the Library Preservation Fund receives $0.025 for every $100 of assessed property value in the City. The proposed revenue for the Library Preservation Fund in FY 2001-02 is $19,598,072, an increase of $1,324,828.

In addition, Charter Section 16.019 requires the City to annually appropriate General Fund revenues to the Library that are equal to the percentage amount of General Fund revenues received by the Library in FY 1992-93. The Library's proposed baseline share of such General Fund revenues for FY 2001-02 is $29,954,787, or $3,081,230 more than the Library received in FY 2000-01. An additional $1,040,000 of General Fund revenues that should have been appropriated to the Library in FY 2000-01 will be carried forward and included in the Library's budget for FY 2001-02. Other significant revenue sources include State grants, which are projected to remain at $1,331,806 for FY 2001-02, fines, which are projected to increase from $420,213 in FY 2000-01 to $491,500 in FY 2001-02 and an allocation of $452,000 from the Department of Children, Youth and Families to support youth and teen programs.

DESCRIPTION

The increase in expenditures for FY 2001-02 is primarily for two Capital Improvement projects and enhanced Facilities Maintenance, increasing by $23,299,370 from $990,000 in FY 2000-01 to $24,289,370 in FY 2001-02. The first project is the Branch Library Facility Improvement Bond Program; in November of 2000, San Francisco voters approved the sale of $105,865,000 of General Obligation Bonds to fund renovation of 19 existing Branch Libraries and to construct four new Branches. The second project is improving the Main Library, according to recommendations made by a Post Occupancy Evaluation (POE).

The largest increase in expenditures by program is in the Children's Fund, which is proposed to increase by $1,282,051 from FY 2000-01. Salaries would increase by $530,444 from the FY 2000-01 original budget, partially due to an increase of $302,328 from the FY 2000-01 original to the revised budget. In addition, the FY 2001-02 increase results from normal salary adjustments and the addition of 1.13 FTE positions. The other significant increase is $611,023 in Other Materials and Supplies for books, periodicals and other materials.

Operations and Maintenance is proposing an increase of $643,126 due to normal salary increases for the Division's 68.3 FTE positions, as well as the addition of 4.5 new FTE positions. The increase also results from an increase of $107,600 for Materials and Supplies, which is for program enhancements, office supplies and building systems.

The Branch Library's increase of $633,170 is the result of the addition of 3.66 new FTE positions, as well as normal salary increases for the Division's 173.84 FTE positions. The Branch budget

Department: LIB PUBLIC LIBRARY **(continued)**

also includes increases due to the proposed one-time equipment purchase of Express Check-out machines, security systems equipment and a new vehicle.

The Main Library is proposing an increase of $560,520 due to Permanent Salary increases of $277,061, from normal salary adjustments and the addition of 3.7 FTE positions. The increase is also the result of $120,000 in Other Current Expenses for the one-time expense of microfilm replacement and software for a booking system, $105,000 for the one-time purchase of two Express Check Out machines, a new microfilm reader and additional equipment. Other Division increases are due mainly to normal salary adjustments and general improvement projects

The book budget is proposed to increase by $424,686 to a total of $4,131,649 in FY 2001-02. The Library has projected that it will have a balance of approximately $400,000 in the book budget at the end of FY 2000-01. However, the Department indicates that fully spending their book budget is a priority for next year.

Because the revenues for the Public Library have increased so significantly as a result of General Fund allocations and Library Preservation Fund allocations, the Library's proposed FY 2001-02 budget will not require General Fund support in excess of the level mandated by the Charter, as has occurred in prior years.

COMMENT

The Mayor's budget provides an increase of $27,066,860. Our recommended reductions, which total $696,747 would still allow an increase of $26,370,113 or 54% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: LIB Public Library

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
EEF		**Main Program**						
2602	001	Permanent Salaries - Misc.				$9,121,527	$9,084,801	*

* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
627		Junior Management Asst.	1840H	0.5	0.0	23,005	0	23,005
		Clerk	1404H	0.38	0.0	13,721	0	13,721

Approval of the requested two current grant-funded positions to Library Preservation-funded positions are policy matters for the Board of Supervisors. Currently, these two positions are funded through a Friends and Foundation grant for Project Read, an adult literacy program. The proposed budget would transfer half of the cost for each of these positions to the Library's budget.

The Library advises that there are currently a total of 6.25 FTEs for Project Read. Of the 6.25, 3.0 are presently funded by the Library and 3.25 FTEs are grant-funded positions. The proposed FY 2001-02 budget would transfer .88 FTE positions to the Library, leaving 2.37 FTEs to continue to be grant-funded in FY 2001-02. The Library anticipates transferring these additional 2.37 FTE Project Read grant-funded positions to the Library's budget over the next several years.

The Library advises that transferring these two positions from grant funding to Library Preservation funding is a priority for the Library in FY 2001-02.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: LIB Public Library

Page No.	Object		Position/ Equipment Number	Number		Amount		Saving
				From	To	From	To	
2602	013	Mandatory Fringe Benefits				2,129,929	2,119,383	10,5
		Corresponds to reduction in Permanent Salaries - Misc.						
EEG		**Branch Program**						
2605	060	Equipment Purchase				$204,143	$194,643	$9,500
		Reduce to reflect that two of the proposed security systems included in the Equipment Purchase budget have already been funded. Estimated cost per security system is $4,750.						
2605	027	Professional & Specialized Services				173,749	0	173,749
		The requested $173,749 would fund the ongoing operations of the Tool-Lending Library, which was begun in January of 2001. The Tool-Lending Library is currently provided under a contract with the San Francisco League of Urban Gardeners (SLUG), a non-profit organization, at a facility located on San Bruno Avenue. The initial funding for this Tool-Lending Library was provided with General Fund revenues, above the Library Preservation baseline amount. The Library Commission does not consider the Tool Lending Library a core program for long-term Library Preservation funding. Therefore, the Budget Analyst recommends that these funds be deleted.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: **LIB Public Library**

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
07	067	Blds, Structures & Improvements				17,854,903	17,665,000	189,903

Reduce to reflect the actual bond issuance cost from the proposed 2001 Public Library first series bond sale will be $189,903 less than originally estimated. This is the first bond sale for the total $105,865,000 Branch Library Improvements General Obligation Bonds, which was approved by San Francisco voters in November of 2000.

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
GF		**Public Affairs**						
213	001	Permanent Salaries - Misc				$658,598	$576,003	*

* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
204		Museum Preparator	3520H	0.5	0.0	18,808	0	18,808
		Curator II	3542H	1.0	0.0	48,178	0	48,178

Approval of the requested two current grant-funded positions to Library-funded positions are policy matters for the Board of Supervisors. These two positions have been funded for three years from a Friends and Foundation grant. The proposed budget would transfer the costs for these two positions (1.5 FTEs) to the Library Preservation Fund budget.

The Library's proposed budget has an existing 3544 Curator III in Public Affairs and also includes one new 3542 Curator II position (.75 FTE), in addition to the subject request to transfer the Museum Preparator (0.5 FTE) and Curator II (1.0 FTE) positions from grant funds to Library funding.

The Library advises that transferring these positions from grant funding to Library Preservation funding is a priority in FY 2001-02.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: LIB Public Library

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
2634		Graphic Artist	5322N	0.38	0.0	15,609	0	15,609
		Delete the proposed new 5322 Graphic Artist position because the Department has also proposed the upward substitution of two 3610 Library Assistants to two 5322 Graphic Artist positions in the Public Affairs Division. Currently, the Public Affairs Division does not have any Graphic Artist positions. Our recommendation will still provide for two new 5322 Graphic Artist positions.						
2613	013	Mandatory Fringe Benefits				176,227	156,718	19,509
		Corresponds to reduction in Permanent Salaries - Misc.						
2613	029	Maintenance Svcs - Equip.				54,800	40,800	14,00
		Reduce to reflect that the Department's actual request for Maintenance Services - Equipment is $40,800, not $54,800.						
EGH		**Operations and Maintenance**						
2615		Permanent Salaries - Misc				3,435,467	3,350,032	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						

epartment: LIB Public Library

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
37		General Laborer	7514N	0.75	0.0	30,639	0	30,639
		Delete the proposed new 7514 General Laborer position because Operations and Maintenance already has one 7514 General Laborer position. The Department has not adequately justified the creation of a new 7514 General Laborer position.						
237		Chief Stationary Engineer	7205N	0.75		54,796	0	54,796
		Delete requested new 7205 Chief Stationary Engineer position. The Library's justification for this new position relates primarily to the $105,865,000 General Obligation Bond monies to rehabilitate and renovate the Branch Libraries. Funding for this new position should therefore be paid from these General Obligation Bond funds, and not from Library Preservation Funds.						
265	013	Mandatory Fringe Benefits				959,879	939,375	20,504
		Corresponds to reduction in Permanent Salaries - Misc.						
[illegible]		**Library Administration**						
268		Permanent Salaries - Misc				1,347,871	1,319,538	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: **LIB Public Library**

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2639		Account Clerk	1630N	0.75	0.0	28,333	0	28,3
		Delete requested new 1630 Account Clerk position. The Library's justification for this new position relates primarily to the $105,865,000 General Obligation Bond monies to rehabilitate and renovate the Branch Libraries. Funding for this new position should therefore be paid from these General Obligation Bond funds, and not Library Preservation Funds.						
2619	013	Mandatory Fringe Benefits				331,643	325,296	6,3
		Corresponds to reduction in Permanent Salaries - Misc.						
2619	024	Membership Fees				77,600	58,000	19,6
		Reduce to reflect that actual need is $58,000.						
		Total Recommended Reductions						**$696.74**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: LLB LAW LIBRARY

FINANCIAL DATA:

The Law Library's proposed $490,912 budget for FY 2001-02 is $76,371 or 18.42 percent more than the original FY 2000-01 budget of $414,541. The net increase from the revised FY 2000-01 budget is $76,371 or 18.42 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
LAW LIBRARY	$ 414,541	$ 414,541	$ 490,912	$ 76,371
Total Expenditures	$ 414,541	$ 414,541	$ 490,912	$ 76,371

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 3 FTEs, which is the same as the 3 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
LAW LIBRARY	3.00	3.00	3.00	-
Totals	3.00	3.00	3.00	-

Department: LLB LAW LIBRARY (continued)

SPECIAL ASSISTANT POSITIONS

The Law Library has no Special Assistant positions.

DEPARTMENT REVENUES

General Fund support has increased by $76,371 or 18.40 percent.

DESCRIPTION

The Law Library's proposed budget includes an increase in personnel costs of $2,938 resulting from MOU-related salary and fringe benefit increases.

The Law Library's proposed FY 2001-02 budget also includes: (1) Professional & Specialized Services of $60,000 for environmentally controlled storage of the City's rare legal book collection; (2) an increase of $3,396 for rent for the Veteran's Building; and (3) an increase of $13,433 for services of other departments which results primarily from increased costs for the Department of Telecommunications and Information Services (DTIS).

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: REC RECREATION & PARK COMMISSION

FINANCIAL DATA:

The Recreation & Park Commission's proposed $142,059,343 budget for FY 2001-02 is $16,743,798 or 13.36 percent more than the original FY 2000-01 budget of $125,315,545. The net increase from the revised FY 2000-01 budget is $16,654,925 or 13.28 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
3COM PARK	$ 2,928,779	$ 2,928,779	$ 3,230,200	$ 301,421
CHILDREN'S BASELINE	12,804,091	12,804,091	13,254,516	450,425
CHILDREN'S FUND PROGRAMS	-	-	-	-
DEPT'L ADMIN-BUSINESS OFFICE	8,594,290	8,786,197	10,282,126	1,687,836
DEVELOPMENT & PLANNING	-	-	-	-
FAMILY CAMP OPERATIONS	684,014	684,014	688,852	4,838
GOLDEN GATE PARK	8,399,499	8,393,881	8,985,041	585,542
MAINT & OPER OF GOLF COURSE	2,936,021	2,936,021	3,303,044	367,023
MARINA YACHT HARBOR	1,612,140	1,612,140	1,662,758	50,618
NEIGHBORHOOD SERVICES	22,561,918	22,932,958	25,316,168	2,754,250
NON-CHILDREN'S FUND PROGRAMS	246,915	246,915	272,244	25,329
STRUCTURAL MAINTENANCE	7,764,832	7,764,832	8,104,720	339,888
TURF MANAGEMENT	2,149,250	2,199,250	2,256,280	107,030
URBAN FORESTRY	2,081,675	2,081,675	2,276,858	195,183
ZOO OPERATIONS	6,871,229	6,871,229	6,934,503	63,274
Total Operating Expenditures	$ 79,634,653	$ 80,241,982	$ 86,567,310	$ 6,932,657
Capital Improvements & Fac. Maint.	$ 45,680,892	$ 45,162,436	$ 55,492,033	$ 9,811,141
Total Expenditures	$ 125,315,545	$ 125,404,418	$ 142,059,343	$ 16,743,798
Less: Work Order Recoveries	(686,715)	(795,588)	(694,244)	(7,529)
Net Expenditures	$ 124,628,830	$ 124,608,830	$ 141,365,099	$ 16,736,269

Department: REC RECREATION & PARK COMMISSION **(continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1,012.09 FTEs, which is 13.65 FTEs more than the 998.44 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Fiscal Year 2001-2002	From 2000-2001 Original Budget
3COM PARK	17.97	17.97	16.96	(1.01)
CHILDREN'S BASELINE	245.45	245.45	243.63	(1.82)
CHILDREN'S FUND PROGRAMS	-	-	-	-
DEPT'L ADMIN-BUSINESS OFFICE	54.78	54.78	56.28	1.50
FAMILY CAMP OPERATIONS	5.43	5.43	5.43	-
GOLDEN GATE PARK	136.19	136.19	138.04	1.85
MAINT & OPER OF GOLF COURSE	41.40	41.40	42.43	1.03
MARINA YACHT HARBOR	16.84	16.84	16.85	0.01
NEIGHBORHOOD SERVICES	286.16	286.16	300.16	14.00
NON-CHILDREN'S FUND PROGRAMS	4.68	4.68	4.68	-
STRUCTURAL MAINTENANCE	93.50	93.50	92.50	(1.00)
TURF MANAGEMENT	33.00	33.00	33.00	-
URBAN FORESTRY	32.50	32.50	32.55	0.05
ZOO OPERATIONS	30.54	30.54	29.58	(0.96)
Totals	998.44	998.44	1,012.09	13.65

Department: REC RECREATION & PARK COMMISSION (continued)

The Department has requested that the following Special Assistant positions be reclassified:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.00	1371	Special Assistant XII	75,660	6139	Senior Industrial Hygienist.	$87,334
Exempt	1.00	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	2.00	1374	Special Assistant XV	93,281	0933	Manager IX	112,278
Exempt	1.00	1376	Special Assistant XVII	107,976	0933	Manager IX	112,278
Totals	5.00			$450,769			$507,949

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	3.00	1364	Special Assistant V	$45,518	Filled
Exempt	4.00	1366	Special Assistant VII	52,435	Filled
Exempt	1.00	1368	Special Assistant IX	60,709	Filled
Totals	8.00			$407,003	

DEPARTMENT REVENUES

Department revenues have increased by $12,723,470 or 13.69 percent and General Fund support has increased by $2,513,603 or 6.30 percent.

DESCRIPTION

In FY 2001-02, the Department's proposed budget increase is $16,743,798. This increase is comprised primarily of the following changes:

1. $2,842,998 for permanent salaries related to 12.25 FTE new positions, upward substitutions, annualization of new positions approved for partial year funding in FY 2000-01, and the

Department: REC RECREATION & PARK COMMISSION **(continued)**

reclassification of 5.00 FTE special assistant positions to other classifications, plus $931,532 more for mandatory fringe benefits costs. The 12.25 FTE new positions comprise:

(a) A 0.75 FTE Assistant Industrial Hygienist and a 0.75 FTE Industrial Hygienist. These positions, which annualize to 2.00 FTEs, have an annual permanent salary and fringe benefits cost of $132,227 at the top step. The Department states that these staff are required in order to improve the effectiveness of the services provided through the Occupational Safety and Health Program.

(b) 4.75 FTE Gardeners. These positions, which annualize to 5.00 FTEs, have an annual permanent salary and fringe benefits cost of $282,635 at the top step. The Department states that it requires one of these gardeners to maintain Esprit Park, which the City accepted as a gift in May of 2001, while the other four are part of the Natural Areas Program funded by the Open Space Fund.

(c) 1.50 FTE 2708 Custodians, and a 0.75 FTE 3284 Recreation Director. These positions, which annualize to 3.00 FTEs, have an annual permanent salary and fringe benefits cost of $123,676 at the top step. The Department states that these staff are required at the Portsmouth Square Recreation Building.

(d) A 0.75 FTE Locker Room Attendant, a 0.75 FTE 3204 Swimming Pool Cashier, 1.50 FTE 3210 Swimming Instructors/Pool Attendants. These positions, which annualize to 4.00 FTE positions, have an annual permanent salary and fringe benefits cost of $146,931 at the top step. The Department states that these staff are required at the Martin Luther King, Jr. Pool which is scheduled to reopen in July of 2001.

(e) An 0.75 FTE 1823 Senior Administrative Analyst. This position, which annualizes to a 1.00 FTE, has an annual permanent salary and fringe benefits cost of $65,741 at the top step. The Department states that this staff member is required in order to provide liaison with the Park and Recreation Open Space Advisory Committee.

2. $346,345 for equipment purchase and $120,028 for equipment lease purchase.

3. $9,861,141 for capital projects. According to Ms. Mary King-Gorwky of REC, the increase in the capital budget is largely attributable to the additional Bond proceeds from the Neighborhood Recreation and Park Facilities Improvement Bonds, 2000.

4. $1,943,395 due to increases in the cost of energy, sewer, and information system services provided by other departments.

These increases are offset by reductions in temporary salaries, overhead costs, professional and specialized services, and materials and supplies.

COMMENT

The Mayor's budget provides an increase of $16,743,798. Our recommended reductions, which total $551,990, would still allow an increase of $16,191,808 or 12.9% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: REC - Recreation and Park

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
		AA Golden Gate Park						
670	001	Permanent Salaries - Misc.				$5,488,319	$5,319,333	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
742	001	Manager IX	0933 L	1.00	0.00	112,278	0	$112,278
742	001	Manager IX	0933 O	0.00	1.00	0	112,278	(112,278)
742	001	Executive Secretary II	1452 L	1.00	0.00	54,784	0	54,784
742	001	Executive Secretary II	1452 O	0.00	1.00	0	54,784	(54,784)
742	001	Non-operating Position Offset	9997M	0.00	(2.00)	0	(167,062)	167,062
742	001	Step Adjustments - Misc.	STEPM	0.00	0.00	(3,864)	0	(3,864)
742	001	Special Salary Savings - Misc.	9991M	0.00	0.00	(625)	0	(625)

The General Fund funds two positions to oversee construction of the garage beneath the Golden Gate Park Music Concourse. Convert the 0933 Manager IX position and the 1452 Executive Secretary II position from grant-funded "L" positions to Proposition J privately funded "O" positions.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
570	001	Attrition Savings - Misc.	9993M	(10.85)	(10.99)	(480,840)	(487,253)	6,413

Increase attrition savings by $6,413 to offset the effect of the Department's upward substitution of 3.37 FTE miscellaneous temporary positions to 5.00 FTE 7501 Environmental Service Worker positions, which has resulted in increased salary and fringe benefit costs during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: REC - Recreation and Park

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2670	013	Mandatory Fringe Benefits				1,562,033	1,524,419	37,
		Corresponds to the reductions in Permanent Salaries and the increase in Attrition Savings.						
2670	060	Equipment Purchase				88,000	85,765	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
2769	060	Workman Toro	RP113R	1.00	1.00	20,000	17,765	2,
		Reduce to reflect actual cost.						

EAB Turf Management

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2676	001	Permanent Salaries - Misc.				1,680,803	1,673,448	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2746	001	Attrition Savings - Misc.		0.00	(0.14)	0	(7,355)	7,
		Increase attrition savings by $7,355 to offset the effect of the Department's upward substitution of a 1.00 FTE 3417 Gardener position to a 1.00 FTE 3419 Municipal Staduim Groundskeeper position, which has resulted in increased salary and fringe benefit costs during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: REC - Recreation and Park

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
676	013	Mandatory Fringe Benefits				448,477	446,572	1,905

Corresponds to the increase in Attrition Savings.

AE Neighborhood Services - GF-Non-Project-Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
680	060	Equipment Purchase				576,500	473,529	*

* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
769	060	Truck, Ford F 650	RP121N	1.00	0.00	57,000	0	57,000
769	060	Van - CNG	RP124N	1.00	0.00	32,000	0	32,000

Disapprove due to inadequate justification.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
269	060	Cushman Turf Truckster	RP130N	1.00	1.00	18,000	17,461	539
269	060	Workman Turf Vehicle	RP132N	1.00	0.00	18,000	17,765	235
269	060	Turf Truckster	RP138R	1.00	1.00	37,000	26,863	10,137
269	060	Cushman Turfster	RP148R	1.00	1.00	19,000	15,940	3,060

Reduce to reflect actual vendor quote.

E Neighborhood Services - Park Renaissance Project

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
230	001	Permanent Salaries - Misc.				380,169	364,889	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

Department: REC - Recreation and Park

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2748	001	Manager IX	0933 S	1.00	0.00	112,278	0	112,2
2748	001	Manager VII	0931 S	0.00	1.00	0	96,998	(96,9

The Department has proposed to reclassify a 1.00 FTE 1374 Special Assistant XV position as a 1.00 FTE 0933 Manager IX position. The Budget Analyst recommends that this reclassification be reduced to a 0931 Manager VII, in line with the standard reclassification approved by the Department of Human Resources.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2680	013	Mandatory Fringe Benefits				80,997	78,702	2,[illegible]5

Corresponds to the reductions in Permanent Salaries.

EAE Neighborhood Services - Open Space & Park-Non Proj-Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2708	001	Permanent Salaries - Misc.				7,054,511	6,985,609	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2751	001	Recreation Director	3284 N	0.75	0.00	33,830	0	33,8
2751	001	Gardener	3417 N	0.75	0.00	35,072	0	35,0

Disapprove the 1.50 FTE positions above. The Department currently has 12 vacant 3284 Recreation Director positions (two have been vacant since January of 2000), and 26 vacant 3417 Gardener positions (two have been vacant since 1999). The Department should fill these existing vacant positions before adding new positions in the same classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
2709	013	Mandatory Fringe Benefits				1,982,803	1,963,880	18,[illegible]3

Corresponds to the reductions in Permanent Salaries.

epartment: REC - Recreation and Park

age No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
709	060	Equipment Purchase				72,500	43,500	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
770	060	Compact Sedan	VSCL-N	2.00	0.00	52,000	23,000	29,000
		Approve one compact sedan, at a cost of $23,000 as per the Mayor's budget instructions, to determine the extent of annual utilization. Disapprove the second sedan.						
CD Structural Maintenance								
712	060	Equipment Purchase				220,500	212,040	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
71	060	Compressor	RP111N	1.00	1.00	26,500	18,040	8,460
		Reduce to reflect actual cost.						
F Family Camp Operations								
18	060	Equipment Purchase				27,000	24,892	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
273	060	Kubota Tractor	RP120N	1.00	1.00	27,000	24,892	2,108
		Reduce to reflect actual cost.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: REC - Recreation and Park

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
ECG Main & Oper of Golf Course								
2719	060	Equipment Purchase				136,447	124,977	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
2774	060	Ryan Aerators	RP116N	3.00	2.00	27,000	18,000	9,
		Disapprove one Ryan Aerator which has been requested as a back-up. This recommendation would still allow two new Ryan Aerators, which would increase the total number of Ryan Aerators to five, or one per City golf course.						
2774	060	Workman 3200	RP119N	2.00	2.00	38,000	35,530	2,
		Reduce to reflect actual cost.						
EIA Dept'l Admin-Business Office								
2726	001	Permanent Salaries - Misc.				3,209,200	3,148,491	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2762	001	Assistant Industrial Hygienist	6137 N	0.75	0.56	46,197	34,648	11,
		The work to be performed by this new position was formerly performed by the Department of Health under a $54,236 work order which has been eliminated from the FY 2001-02 budget. Reduce this new position to a 0.75 FTE position on an annualized basis (0.56 FTE in FY 2001-02) in order to receive the same level of service.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: REC - Recreation and Park

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
762	001	Industrial Hygienist	6138 N	0.75	0.375	61,309	30,654	30,655
		Reduce this new position to a 0.5 FTE position on an annualized basis (0.375 FTE in FY 2001-02 to reflect an October 1, 2001 hiring date) to reflect the available funding from a deleted 2708 Custodian position.						
762	001	Project Director	1070 S	1.00	0.00	89,336	0	89,336
762	001	Business Analyst - Principal	1054 S	0.00	1.00	0	85,098	(85,098)
		Disapprove this proposed substitution which has not been approved by the Department of Human Resources. Furthermore, the Department has provided no justification for this substitution.						
263	001	Attrition Savings - Misc.	9993M	(2.59)	(2.84)	(148,698)	(162,965)	14,267
		Increase attrition savings by $14,267 to offset the effect of the Department's upward substitution of (a) a 1.00 FTE1371 Special Assistant XII position to a 1.00 FTE 6139 Senior Industrial Hygienist position, and (b) a 1.00 FTE 5177 Safety Officer position to a 1.00 FTE 6141 Manager, Office of Health and Safety. Both upward substitutions have resulted in increased salary and fringe benefit costs during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit costs, but will not result in additional budgeted expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
226	013	Mandatory Fringe Benefits				815,806	802,029	13,777
		Corresponds to the reductions in Permanent Salaries, and the increase in Attrition Savings.						
		Total Recommended Reductions						$551,990

DEPARTMENT: SCI ACADEMY OF SCIENCES

FINANCIAL DATA:

The Academy of Sciences' proposed $2,168,865 budget for FY 2001-02 is $104,075 or 5.04 percent more than the original FY 2000-01 budget of $2,064,610. The net increase from the revised FY 2000-01 budget is $104,075 or 5.04 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ACADEMY OF SCIENCES	$ 1,964,610	$ 1,964,610	$ 2,013,685	$ 49,075
Total Operating Expenditures	$ 1,964,610	$ 1,964,610	$ 2,013,685	$ 49,075
Capital Improvements & Fac. Maint.	$ 100,000	$ 100,000	$ 155,000	$ 55,000
Total Expenditures	$ 2,064,610	$ 2,064,610	$ 2,168,685	$ 104,075

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 8.76 FTEs, which is the same as the 8.76 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ACADEMY OF SCIENCES	8.76	8.76	8.76	-
Totals	8.76	8.76	8.76	-

Department: SCI ACADEMY OF SCIENCES **(continued)**

SPECIAL ASSISTANT POSITIONS

The Academy of Sciences has no Special Assistant positions.

DEPARTMENT REVENUES

General Fund support has increased by $104,075 or 5 percent.

DESCRIPTION

The Academy of Sciences, which operates the Steinhart Aquarium, the Natural History Museum, and the Morrison Planetarium, has a total budget in FY 2001-02 of approximately $21,000,000. The City's General Fund contribution of $2,168,685, provides operating funds for the Steinhart Aquarium, pays the saltwater and sewer discharge charges for the Academy of Sciences, and funds nine of the 25 total positions at the Steinhart Aquarium, including eight Stationary Engineers and one Chief Stationary Engineer, to maintain the 11 buildings occupied by the Academy of Sciences. The remaining funds of approximately $19,000,000 for the Academy of Sciences operating budget come from private donations and admission revenues.

In March of 2000, San Francisco voters approved General Obligation (GO) Bonds of $87,445,000 for the renovation, seismic upgrades, and expansion of the Academy of Sciences. According to the Mayor's Office of Public Finance, the City will issue the first series of the Academy of Sciences GO Bonds in the fall of 2001. During FY 2001-02 the Academy of Sciences will continue to fully provide its programs. The construction project will begin in FY 2002-03.

The proposed FY 2001-02 budget includes (a) an increase of $32,648 for salary and mandatory fringe benefit costs due to MOU-related increases, and (b) an increase of $16,427 for Services of Other Departments, which is primarily due to increases for saltwater and sewer discharge charges and phone services. In addition, an increase of $55,000 for Facilities Maintenance and Capital Improvements has been budgeted for elevator maintenance contracts, fire alarm and life safety upgrades, and the purchase of an emergency generator system for the Steinhart Aquarium.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: USD COUNTY EDUCATION OFFICE

FINANCIAL DATA:

The County Education Office's proposed $2,628,932 budget for FY 2001-02 is $528 or 0.02 percent more than the original FY 2000-01 budget of $2,628,404. The net increase from the revised FY 2000-01 budget is $1,653 or .06 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CHILDREN'S BASELINE	$ 2,564,125	$ 2,563,000	$ 2,563,000	$ (1,125)
COUNTY EDUCATION SERVICES	64,279	64,279	65,932	1,653
Total Expenditures	$ 2,628,404	$ 2,627,279	$ 2,628,932	$ 528
Less: Work Order Recoveries	(15,000)	(13,875)	-	15,000
Net Expenditures	$ 2,613,404	$ 2,613,404	$ 2,628,932	$ 15,528

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1FTE, which is the same as the 1 FTE in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
COUNTY EDUCATION SERVICES	1.00	1.00	1.00	-
Totals	1.00	1.00	1.00	-

Department: USD COUNTY EDUCATION OFFICE (continued)

SPECIAL ASSISTANT POSITIONS

The County Education Office has no Special Assistant positions.

DEPARTMENT REVENUES

General Fund support has increased by $15,528 or 0.60 percent.

DESCRIPTION

The County Education Office is primarily supported by State monies. The City's General Fund provides monies to the County Education Office for arts, sports and music programs for elementary and secondary school students that contribute to their physical, social, and emotional development.

In accordance with the City Charter and the State Education Code, the City and County government is required to compensate members of the Board of Education and pay a portion of the County Superintendent's salary. Accordingly, this budget includes funds for the following items:

$42,000 for the seven members of the Board of Education ($500 per member per month); and
$23,932 of the Superintendent's salary and fringe benefit costs.

Such costs, totaling $65,932 for FY 2001-02, are $1,653 more than the budgeted amount of $64,279 for Permanent Salaries and Mandatory Fringe Benefits in FY 2000-01.

The proposed FY 2001-02 General Fund budget contains $600,000 for the San Francisco Unified School District (SFUSD) Children's Baseline Music program, and $1,056,000 for the Sports program, which are both unchanged from the FY 2000-01 budget.

The proposed FY 2001-02 budget also includes $907,000 for the Elementary Arts Education Program. In October of 1999, the Board of Supervisors approved a supplemental appropriation of $657,000 to provide one-time funding for the SFUSD Elementary Arts Education Program for FY 1999-00 (File 99-1723). According to SFUSD, in FY 1997-98 and FY 1998-99, the District was able to find one-time revenues to support the program, but in FY 1999-00 was not able to identify such revenues. In FY 2000-01, the County Education Office received a continuation of the one-time appropriation of $657,000, plus an additional $250,000, totaling $907,000, to expand the Elementary Arts Education Program. For FY 2001-02, the County Education Office is again requesting $907,000 for the Elementary Arts Education Program.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: WAR WAR MEMORIAL

FINANCIAL DATA:

The War Memorial's proposed $11,822,637 budget for FY 2001-02 is $1,065,511 or 9.91 percent more than the original FY 2000-01 budget of $10,757,126. The net increase from the revised FY 2000-01 budget is $514,440 or 4.55 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
OPERATIONS & MAINTENANCE	$ 9,196,626	$ 9,230,046	$ 10,022,637	$ 826,011
Total Operating Expenditures	$ 9,196,626	$ 9,230,046	$ 10,022,637	$ 826,011
Capital Improvements & Fac. Maint.	$ 1,560,500	$ 2,078,151	$ 1,800,000	$ 239,500
Total Expenditures	$ 10,757,126	$ 11,308,197	$ 11,822,637	$ 1,065,511
Less: Work Order Recoveries	(487,506)	(487,506)	(263,182)	224,324
Net Expenditures	$ 10,269,620	$ 10,820,691	$ 11,559,455	$ 1,289,835

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 94.70 FTEs, which is 0.41 FTEs more than the 94.29 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: WAR WAR MEMORIAL (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Fiscal Year 2001-2002	From 2000-2001 Original Budget
OPERATIONS & MAINTENANCE	94.29	94.29	94.70	0.41
Totals	94.29	94.29	94.70	0.41

SPECIAL ASSISTANT POSITIONS

The War Memorial has no Special Assistant positions.

DEPARTMENT REVENUES

Department revenues have increased by $1,529,335 or 12.93 percent. The increase in revenues is primarily due to a $1,278,019 increase from Hotel Taxes allocated to the War Memorial.

DESCRIPTION

Capital Improvement and Facilities Maintenance for FY 2001-02 totals $1,800,000, which is $239,500 more than the $1,560,500 budgeted for FY 2000-01. Such Facilities Maintenance funds will be used primarily for Recarpeting for Herbst Theatre, Fire Alarm and HVAC Upgrades for the Opera House, and Electric Power Management Upgrades for the Opera House and Veterans Building. Other major increases in the proposed budget for the War Memorial include: (1) $43,953 for Maintenance Services for Buildings and Equipment; (2) $36,610 for Materials & Supplies; and (3) a net increase of $210,663 for Services of Other Departments, which is primarily due to an increase of $306,042 for Light, Heat & Power.

The increase of 0.41 in position count is due to: (1) the transfer of the currently shared 1270 Departmental Personnel Officer position between the War Memorial (70 percent) and the Fine Arts Museum (30 percent) to be a full-time position solely responsible for the War Memorial, which results in an increase in position count of 0.30 FTE; and (2) an increase of $52,252 for Temporary Salaries, which results in an increase in position count of 1.11. These increases, which total 1.41 are off-set by the deletion of 1.0 FTE 1632 Senior Account Clerk position, resulting in the net increase of 0.41 FTE.

Department: WAR WAR MEMORIAL (continued)

The position increase, along with MOU-related increases and step adjustments result in an additional overall increase of $314,297 in salaries and benefits.

The remaining increase in the War Memorial's budget is primarily due to a technical error in Interdepartmental Recovery, in the amount of $237,394.

COMMENT

The Mayor's budget provides an increase of $1,065,511. Our recommended reductions, which total $52,569, would still allow an increase of $1,012,942 or 9.42 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: WAR - War Memorial

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
792	001	Permanent Salaries - Misc.				$4,706,120	$4,676,905	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
799	9993M	Attrition Savings - Misc.		(2.88)	(3.44)	(150,256)	(179,471)	29,215
		Increase Attrition Savings - Misc to reflect actual expenditure rate in Permanent Salaries - Misc. for the current year.						
292	013	Mandatory Fringe Benefits				1,297,316	1,289,727	7,589
		Corresponds to the reduction in Permanent Salaries - Misc.						
292	029	Maintenance Services - Equipment				297,535	281,770	15,765
		Reduce Maintenance Services - Equipment to reflect actual expenditure rate for the current year which is projected to be approximately $259,000. Our recommended amount of $281,770 will allow for $15,000 in new service contracts and a cost of living increase. Our recommended amount of $281,770 would still provide an additional $22,770 for Maintenance Services - Equipment than is projected to be expended in the current year.						
		Total Recommended Reductions						$52,569

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: AIR AIRPORT COMISSION

FINANCIAL DATA:

The Airport Commission's proposed $635,933,059 budget for FY 2001-02 is $143,789,257 or 29.22 percent more than the original FY 2000-01 budget of $492,143,802. The net increase from the revised FY 2000-01 budget is $143,789,257 or 29.22 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION, BUSINESS	$ 327,166,590	$ 330,328,548	$ 410,588,282	$ 83,421,692
FACILITIES MAINTENANCE, CONSTRUCTION	90,302,267	90,302,267	90,561,884	259,617
SAFETY & SECURITY	65,115,813	65,115,813	67,182,893	2,067,080
Total Operating Expenditures	$ 482,584,670	$ 485,746,628	$ 568,333,059	$ 85,748,389
Capital Improvements & Fac. Maint.	$ 9,559,132	$ 6,397,174	$ 67,600,000	$ 58,040,868
Total Expenditures	$ 492,143,802	$ 492,143,802	$ 635,933,059	$ 143,789,257

Department: AIR AIRPORT COMMISSION (continued)

Major changes in the Airport's budget are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase/ (Decrease)
Permanent Salaries – Misc.	$86,017,484	$88,885,877	$2,868,393
Mandatory Fringe Benefits	22,309,354	23,977,825	1,668,471
Professional & Specialized Services	18,988,511	15,515,670	(3,472,841)
Utilities	4,013,050	6,276,150	2,263,100
Safety	3,098,320	1,195,619	(1,902,701)
Fuels & Lubricants	368,959	1,118,959	750,000
Facilities Maintenance	5,100,000	2,900,000	(2,200,000)
Capital Improvements	4,459,132	64,700,000	60,240,868
Debt Service	190,860,704	260,000,000	69,139,296
Services of Other Departments	40,785,383	56,047,909	15,262,526
Total	$376,000,897	$520,618,009	$144,617,112

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1,578.14 FTEs, which is 0.54 FTE more than the 1,577.60 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-1999		Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
	Original	Revised		
ADMINISTRATION, BUSINESS	378.18	378.18	365.72	(12.46)
FACILITIES MAINTENANCE, CONSTRUCTION	956.49	956.49	963.29	6.80
SAFETY & SECURITY	242.93	242.93	249.13	6.20
Totals	1577.60	1577.60	1578.14	0.54

Department: AIR AIRPORT COMMISSION (continued)

The Airport's budget contains one new position (1.00 FTE) budgeted for FY 2001-2002. The Airport's proposed new position is as follows:

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries
Car and Auto Painter	7309	1.00	$55,123	1	$55,123
Total:		1.00		1	$55,123

The Airport's current Special Assistant positions total 103.75 FTEs, of which the following are proposed for reclassification in FY 2001-02:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	1.00	1365	Special Assistant VI	48,729	1404	Clerk	39,894
Provisional	1.00	1365	Special Assistant VI	48,729	1823	Senior Administrative Analyst	69,583
Provisional	2.00	1369	Special Assistant X	131,231	1823	Senior Administrative Analyst	139,165
Provisional	4.00	1369	Special Assistant X	262,461	1450, 1632, 1823	Exec Sec I, Sr Acct Clerk, Sr Admin Analyst	223,026
Exempt	1.00	1371	Special Assistant XII	75,951	0922	Manager V	80,571
Exempt	1.00	1372	Special Assistant XIII	80,571	1802	Research Assistant	53,210
Exempt	2.00	1372	Special Assistant XII	161,142	0922	Manager V	167,562
Exempt	6.00	1372	Special Assistant XIII	483,425	0922	Manager V	496,265
Vacant	1.00	1373	Special Assistant XIV	86,652	0923	Manager VI	86,652
Vacant	1.00	1373	Special Assistant XIV	86,652	0923	Manager VI	90,105
Exempt	2.00	1373	Special Assistant XIV	173,304	0923	Manager VI	180,210
Vacant	1.00	1374	Special Assistant XV	93,281	1840	Junior Management Assistant	52,183
Vacant	6.00	1374	Special Assistant XV	559,686	0931	Manager VII	581,998
Exempt	11.00	1374	Special Assistant XV	1,026,092	0931	Manager VII	1,055,828
Exempt	1.75	1375	Special Assistant	175,574	0932	Manager VIII	179,572
Exempt	1.00	1376	Special Assistant XVII	107,976	0941	Manager X	120,746
Vacant	1.00	1376	Special Assistant XVII	107,976	0933	Manager IX	112,278
Exempt	6.00	1376	Special Assistant XVII	647,855	0933	Manager IX	652,157
Vacant	12.50	1376	Special Assistant XVII	1,349,698	0933	Manager IX	1,362,604
Exempt	11.00	1377	Special Assistant XVIII	1,277,309	0941	Manager X	1,309,698
Exempt	2.00	1377	Special Assistant XVIII	232,238	0941	Manager X	241,492
Exempt	1.00	1377	Special Assistant XVIII	116,119	0941	Manager X	116,119
Vacant	1.00	1378	Special Assistant XIX	124,053	0942	Manager XI	128,996
Vacant	1.00	1379	Special Assistant XX	137,382	0943	Manager XII	100,000
Exempt	1.00	1380	Special Assistant XXI	138,809	0954	Deputy Director IV	137,382
Exempt	2.00	1380	Special Assistant XXI	254,483	0955	Deputy Director V	289,208
Exempt	1.00	1381	Special Assistant XXII	151,615	0955	Deputy Director V	144,604
Totals	82.25			8,138,993			8,211,108

Department: AIR AIRPORT COMMISSION (continued)

The following Airport Special Assistant positions are not proposed for reclassification in FY 2001-02:

Remaining Special Asssistant

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1	1365	Special Assistant VI	48,729	Filled
Vacant	1	1365	Special Assistant VI	48,729	Vacant
Vacant	0.75	1366	Special Assistant VI	39,326	Vacant
Vacant	1	1367	Special Assistant VI	56,402	Vacant
Vacant	1	1368	Special Assistant IX	60,709	Vacant
Vacant	1	1368	Special Assistant IX	69,709	Vacant
Vacant	1	1369	Special Assistant X	65,615	Vacant
Provisional	2	1369	Special Assistant X	131,230	Filled
Vacant	1	1369	Special Assistant X	65,615	Vacant
Vacant	2	1370	Special Assistant XI	141,254	Vacant
Exempt	3	1370	Special Assistant XI	211,881	Filled
Exempt	1	1371	Special Assistant XI	75,951	Filled
Vacant	5	1371	Special Assistant XI	379,755	Vacant
Provisional	0.75	1371	Special Assistant XI	56,963	Filled
Totals	21.5			1,451,868	

DEPARTMENT REVENUES

Department revenues have increased by $145,166,090 or 27.5 percent, from $527,869,423 in FY 2000-01 to $673,035,513 in FY 2001-02.

DESCRIPTION

1. The Airport opened the approximately 2.5 million square foot new International Terminal Complex (the "ITC") for full operations on December 10, 2000, with the exception of three gates in Boarding Area A, one gate in Boarding Area G, and the AirTrain System. The opening occurred over a period of several months, as various international air carriers transferred their operations to the ITC. According to Mr. Derek Chu of the Airport, the ITC is the largest international terminal and the largest common-use terminal in the United States. Also according to Mr. Chu, since the opening, all of the ITC's systems have been functioning with minimal disruptions, including key systems such as telecommunications and baggage handling.

2. The AirTrain System will provide transit service over a "terminal loop" to serve the terminal complex and over a "north corridor loop" to serve the rental car facility and other locations situated north of the terminal complex. The AirTrain is expected to be completed by Summer 2002.

3. The Airport Commission submitted a passenger facility charge (a "PFC") application to the Federal Aviation Administration (FAA) requesting authority to impose and use a $4.50 PFC. According to Mr. Chu, a total of 320 airports are currently approved for PFC collections, including all except three of the nation's large-hub airports. The three exceptions are the San Francisco, the Houston, and the Charlotte

Department: AIR AIRPORT COMMISSION (continued)

Airports. The estimated amount of net PFC revenue proposed to be collected under this application is approximately $113 million, of which $60 million is budgeted for FY 2001-2002. The Controller has reserved these revenues pending final FAA approval. The Airport estimates that the PFC collection period would begin on October 1, 2001, and continue through June of 2003. Mr. Chu has stated that the PFC would fund eligible costs associated with potential runway reconfiguration studies at San Francisco International Airport, including feasibility studies, "no-build" solutions to delays and capacity issues, the environmental impact process, planning and preliminary engineering as it relates to the preparation of the environmental documents, and associated financing costs.

4. There are seven different projects that are taking place with regard to Runway 2020. The total budget for the Planning and Preliminary Engineering Activities totals approximately $263.8 million, which would be expended over a 30-month period. The funding sources are Commercial Paper, federal grants, and the Passenger Facility Charge.

COMMENTS

1. Mr. Chu has written to the Budget Analyst reporting that when the Airport begins its FY 2001-02, he estimates that the Airport will have approximately $2.0 million in unappropriated revenue in excess of its budgeted need.

Mr. Chu reports that the Airport has experienced a 7 percent decline in domestic enplanements since February compared to last year, which impacts the revenue generated from a number of concession areas. Mr. Chu reports that the Airport has concerns regarding meeting year-end revenue forecasts due to a trend of declining exits from the parking garages, and decreased travel and spending.

2. The Budget Analyst has recommended reductions in the Airport's FY 2001-02 budget totaling $10,047,851, which would add to the Airport's unappropriated fund balance.

3. The Airport's total budget for Entertainment and Promotions is $798,129, which is $363,014 less than the $1,161,143 budgeted in that account for FY 2000-01.

4. The Fire Department has calculated that the Airport may not have fully reimbursed the General Fund for Fire Suppression services provided to the Airport. The Fire Department has calculated such under-reimbursement at approximately $2,000,000 for FY 1999-2000. The Airport previously agreed to reimburse the General Fund for $795,476 of the $2,000,000 in order to partially fund a recent supplemental appropriation for the Fire Department. As of the writing of this report, the Airport and the Fire Department have not yet resolved the issue of additional reimbursements, which could total $1,204,524 in new General Fund revenue. Additionally, at the direction of the Finance Committee, the Controller is now working with the Airport and the Fire Department to resolve this issue and to examine the adequacy of Airport reimbursement for prior years.

Department: AIR AIRPORT COMMISSION (continued)

5. The Mayor's budget provides an increase of $143,789,257. Our recommended reductions, which total $10,047,851, would still allow an increase of $133,741,406 or 27.2 percent in the Department's budget.

Department: AIR - Airport Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
Administration, Business (BGF)								
1058	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$17,276,274	$16,763,372	*
1137	001	Manager V	0922S	4.0	3.0	335,124	251,343	$83,781
1137	001	Manager VI	0923S	2.0	1.0	180,210	90,105	90,105
1137	001	Manager VII	0931O	1.0	0.0	93,281	0	93,281
1137	001	Manager IX	0933S	2.0	1.0	224,556	112,278	112,278
1137	001	Manager X	0941S	7.0	6.0	845,222	724,476	120,746
1138	001	Special Assistant VI	1365A	4.0	3.0	194,915	146,186	48,729
1138	001	Special Assistant IX	1368O	1.0	0.0	60,709	0	60,709
1142	001	Illustrator Art Designer To eliminate vacant positions excess to the Airport's current needs.	5320A	3.0	2.0	171,790	114,527	57,263
1143	001	Non-Operating Position Offset Corresponds to the reduction in in non-operating position salaries.	9997M	(45.0)	(42.6)	(2,924,033)	(2,770,043)	(153,90
1058	005	Temporary Salaries Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				607,500	450,000	157,50

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

partment: AIR - Airport Commission

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
58	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				$5,223,311	$5,105,191	$118,120
58	022	Training Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				210,200	150,000	60,200
58	035	Other Current Expenses Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				4,829,259	4,600,000	229,259
159	070	Debt Service To reduce Bond Debt Service in accordance with the Airport's updated requirement.				260,000,000	254,578,000	5,422,000

FA - Capital Projects - Operating Fund

102	067	Buildings, Structures & Improvements * Reserve funding for the "Passenger Facility Fee Project" pertaining to the runway reconfiguration studies, pending identification of specific projects and submission to the Finance Committee of detailed budgets for each project, including identification of contractors, estimated hours, and hourly rates.				60,000,000	60,000,000 *	

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: AIR - Airport Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
		Safety & Security (BGG)						
1073	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$11,441,490	$11,358,516	*
1159	001	Radio Technician To delete one vacant position not needed by the Airport.	7367A	4.0	3.0	331,899	248,925	$82,9
1073	005	Temporary Salaries Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				172,560	140,000	32,5
1073	013	Mandatory Fringe Benefits Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				2,885,142	2,864,627	20,5
1073	027	Professional & Specialized Services Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				106,000	86,000	20,0

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

epartment: AIR - Airport Commission

round Transportation (PACA10)

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
077	001	Permanent Salaries - Misc.				$714,426.00	$658,024.00	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
63	001	Special Assistant VIII	1367A	1.0	0.0	56,402	0	$56,402
		To delete one vacant position excess to the Airport's needs.						
77	013	Mandatory Fringe Benefits				195,704	181,516	14,188
		Corresponds to reduction in salaries.						
76	035	Other Current Expenses				21,916,350	21,766,350	150,000
		Reduce to the Airport's current needs.						

port - SFPD Costs (PACA38)

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
78	022	Training				129,314	100,000	29,314
178	027	Professional & Specialized Services				101,750	60,000	41,750
179	049	Other Materials & Supplies				91,695	55,000	36,695
		Reduce to the Airport's current needs.						
179	060	Equipment Purchase				346,000	311,400	*
		* The recommended reduction in equipment is the total of the following specific recommendations.						

Department: AIR - Airport Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1187	060	Equipment Not Detailed To reduce the Equipment Budget in accordance with the Airport's updated requirements.				$0	($34,600)	$34,6

Facilities Maintenance, Construction (BGH)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1082	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				49,309,245	48,005,761	*
1166	001	Special Assistant X	1369A	1.0	0.0	65,615	0	65,615
1166	001	Manager IX	0933O	5.0	0.0	539,879	0	539,879
1167	001	Inventory Clerk	1920C	3.0	2.0	119,438	79,626	39,812
1168	001	Custodian	2708C	39.0	19.0	1,625,381	833,528	791,853
1174	001	Apprentice Stationary Engineer	7333C	6.0	5.0	331,216	276,014	55,202
1174	001	Stationary Engineer	7334C	15.0	14.0	871,602	813,496	58,106
1174	001	Carpenter	7344C	5.0	4.0	313,332	250,666	62,666
1174	001	Painter	7346C	5.0	4.0	284,156	227,325	56,831
1174	001	Steamfitter	7348C	3.0	2.0	216,577	144,385	72,192
1175	001	Asphalt Worker	7502C	1.0	0.0	46,084	0	46,084

To reduce facility positions in accordance with the Airport's updated requirements.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

artment: AIR - Airport Commission

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
73	001	Car and Auto Painter To delete one new position that the Department states was requested in error.	7309N	1.0	0.0	$55,123	$0	$55,123
6	001	Non-Operating Position Offset Corresponds to the reduction in in non-operating position salaries.	9997M	(242.0)	(234.6)	(17,668,138)	(17,128,259)	(539,879)
02	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				13,300,434	12,938,887	361,547
0	029	Maintenance Services - Equipment Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02.				6,540,052	5,950,000	590,052
08	047	Fuels & Lubricants Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				1,118,959	750,000	368,959
8	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				845,000	527,060	*

Department: AIR - Airport Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
1189	060	Equipment Not Detailed				0	($317,940)	$317,
		To reduce the Equipment budget in accordance with the Airport's updated needs.						
Environmental Control Program (PACA12)								
1086	001	Permanent Salaries - Misc.				$70,566	0	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1178	001	Special Assistant XI	1370A	1.0	0.0	70,627	0	70,6
		To eliminate vacant positions excess to the Airport's current needs.						
1178	001	Step Adjustments	STEPM	0.0	0.0	211	0	2
1178	001	Special Salary Savings	9991M	0.0	0.0	(272)	0	(2
1086	013	Mandatory Fringe Benefits				16,610	286	16,3
		Corresponds to reduction in salaries.						

Total Recommended Reductions	**$10,047,8**
Total Recommended Reserves	**$60,000,0**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

DEPARTMENT: CWP CLEAN WATER PROGRAM

FINANCIAL DATA:

The Clean Water Program's proposed $181,241,942 budget for FY 2001-02 is $22,427,934 or 14.12 percent more than the original FY 2000-01 budget of $158,814,008. The net increase from the revised FY 2000-01 budget is $13,297,657 or 7.92 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
WATER POLLUTION CONTROL	$ 136,813,908	$ 149,191,447	$ 146,591,942	$ 9,778,034
Total Operating Expenditures	$ 136,813,908	$ 149,191,447	$ 146,591,942	$ 9,778,034
Capital Improvements & Fac. Maint.	$ 22,000,100	$ 18,752,838	$ 34,650,000	$ 12,649,900
Total Expenditures	$ 158,814,008	$ 167,944,285	$ 181,241,942	$ 22,427,934
Less: Work Order Expenditures	(4,837,291)	(588,000)	(5,025,620)	(188,329)
Net Expenditures	$ 153,976,717	$ 167,356,285	$ 176,216,322	$ 22,239,605

Major expenditure changes to account for the $22,427,934 increase are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase/ (Decrease)
Maintenance Services-Building and Structures	$2,697,372	$3,360,219	$662,847
Buildings, Structures and Improvements	22,000,100	34,650,000	12,649,900
Debt Service	65,396,146	69,050,606	3,654,460
Services of Other Departments	29,168,479	34,632,113	5,463,634
Total	$119,262,097	$141,692,938	$22,430,841

Department: CWP CLEAN WATER (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 342.67 FTEs, which is 7.01 FTEs less than the 349.68 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
WATER POLLUTION CONTROL	349.68	349.68	342.67	(7.01)
Totals	349.68	349.68	342.67	(7.01)

The Clean Water Program has requested one (.75 FTE) new position as follows:

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salary
Clerk Typist	1424	0.75	$31,096	1	$41,461

Although the Department presently has one Clerk Typist, five Senior Clerk Typists, and one Principal Clerk Typist, the Budget Analyst is recommending approval of the new Clerk Typist position. This new Clerk Typist position's primary responsibility would be data entry for the Geographic Information System and the sewer maintenance database. Currently there is a two-year backlog of data entry of sewer maintenance work.

The Clean Water Program has no Special Assistant positions in its FY 2001-02 budget.

Department: CWP CLEAN WATER (continued)

DEPARTMENT REVENUES

Department revenues have increased by $24,378,095 or 14.02 percent and General Fund support has increased by $104,147 or 51.50 percent. Major revenue changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Revenue	FY 2000-01	FY 2001-02	Increase/ (Decrease)
Sewer Service Charge	$140,404,884	$147,666,000	$7,261,116
Beginning Fund Balance	15,527,907	30,263,986	14,736,079
Total	$155,932,791	$177,929,986	$21,997,195

DESCRIPTION

The Clean Water Program operates and maintains the sewage and water pollution control system serving the City.

COMMENTS

1. The Clean Water budget request includes more than $2,000,000 in chemical costs and approximately $250,000 in labor costs to address the problem of odors caused by the collection and treatment of sewage in the City. According to Mr. Bill Keaney of the Clean Water Program, in the last two years, Clean Water has completed six odor control projects at the Southeast Plant that will reduce odors. These projects totaled $7.24 million.

   Mr. Keaney reports that there are currently four odor control projects in progress. Two of these projects are funded with $5 million provided by Catellus as part of the Mission Bay Project. Design is completed on the first project and is 50% completed on the second project. Clean Water plans to spend $1.2 million to install odor control equipment on the Primary Effluent Pump Station. Finally, the upgrade of the Booster Pump Station will produce significant odor reduction. Construction on this project is more than 50% complete and Clean Water anticipates it will be finished by November 2001.

   Mr. Keaney reports that Clean Water is also working on four small odor control projects for the City's sewer system. The cost of these projects totals $300,000. The systems built will be adding odor control chemicals to sewers and the estimated annual cost of the chemicals is $440,000.

Department: CWP CLEAN WATER (continued)

There are four additional projects that are partly or entirely directed to odor control that do not have funding. The estimates for the four projects total $69 million as follows:

Project	Amount
Covering of Secondary Clarifiers	$44,000,000
Old Primary Sedimentary Tanks	10,000,000
Headworks/Pretreatment	5,000,000
New Primary Sedimentary Tanks	10,000,000
Total	$69,000,000

Clean Water is in the Environmental Impact Review phase of the Southeast Plant Solids Handling Project. The primary objectives of this project are to replace the 50-yearold digesters and to control odors released by the various solids handling processes. The current estimate for this project is about $300 million. Funds to construct this project have not yet been identified

2. In September of 2000, the Board of Supervisors approved the $45 million, four-year Public Utilities Commission Program Management Services Contract with the Water Alliance, a joint venture of Bechtel Infrastructure Corporation, The Jefferson Company, and Sverdrup Civil, Inc. Under the subject contract, the Water Alliance would provide program management services to the PUC to organize and implement its capital improvement program. According to Mr. Jeet Bajwa of the PUC, the PUC will expend approximately $8,000,000 in the first year of the four-year contract, which began September 22, 2000 and ends on September 21, 2001. Mr. Bajwa reports that the Water Department, the Clean Water Program, and Hetch Hetchy have budgeted a total of $7,000,000 in their proposed FY 2001-02 budgets for the second year of the subject contract. The Clean Water Program budget contains $1,500,000, the Water Department's Regional Supply and Treatment Program budget contains $2,800,000, the Water Department's City Distribution Department contains $1,500,000, and Hetch Hetchy's budget contains $1,200,000. Mr Bajwa reports that the distribution among the Departments of the subject contract's cost is based on the percentage of capital project being executed by each Department. Mr. Bajwa advises that the second year of the contract will be subject to approval by the Board of Supervisors.

3. The Mayor's budget provides an increase of $22,427,934. Our recommended reductions, which total $249,768, would still allow an increase of $22,178,166 or 13.97% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

partment: CWP - Clean Water

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		ater Pollution Control - BAX						
35	009	Premium Pay				$198,566	$165,000	$33,566
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
5	012	Holiday Pay				151,018	115,000	36,018
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
1	013	Mandatory Fringe Benefits				5,418,002	5,407,551	5,184
		Corresponds to reduction in salaries.						
2	027	Professional & Specialized Services				714,371	639,371	75,000
		To reduce expenses for Professional Services to the minimum essential for effective operations						
20	028	Maintenance Svcs - Bldgs &				3,256,699	3,206,699	50,000
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

Department: CWP - Clean Water

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1204	060	Equipment Purchase				$851,178	$801,178	*
		*The recommended reduction in equipment is the total of the following specific recommendations						
1224	060	Equipment Not Detailed	WP4XX			(68,000)	(118,000)	$50,(
		*To reduce funding for equipment to the minimum essential necessary for effective operations.						
		Total Recommended Reductions						$249,7

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: **DBI** DEPARTMENT OF BUILDING INSPECTION

FINANCIAL DATA:

The Department of Building Inspection's proposed $35,010,770 budget for FY 2001-02 is $712,551 or 2.08 percent more than the original FY 2000-01 budget of $34,298,219. The net increase from the revised FY 2000-01 budget is $712,551 or 2.08 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
rogram Expenditures	Original	Revised	2001-2002	Original Budget
BI - ADMINISTRATION SERVICES	$ 4,749,144	$ 4,749,144	$ 5,597,005	$ 847,861
BI - INSPECTION SERVICES	15,074,297	15,074,297	16,044,180	969,883
BI - PERMIT SERVICES	12,106,411	12,106,411	13,369,585	1,263,174
otal Operating Expenditures	$ 31,929,852	$ 31,929,852	$ 35,010,770	$ 3,080,918
apital Improvements & Fac. Maint.	$ 2,368,367	$ 2,368,367	$ -	$ (2,368,367)
otal Expenditures	$ 34,298,219	$ 34,298,219	$ 35,010,770	$ 712,551
ess: Work Order Recoveries	(73,000)	(73,000)	(458,000)	(385,000)
et Expenditures	$ 34,225,219	$ 34,225,219	$ 34,552,770	$ 327,551

Department: DBI DEPARTMENT OF BUILDING INSPECTION (continued)

Of the $327,551 net increase in DBI's budget, major changes are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Permanent Salaries	$17,674,447	$19,187,191	$1,512,744
Mandatory Fringe Benefits	4,285,471	4,729,208	443,737
Professional & Specialized Services	1,956,400	2,280,371	323,971
Training	162,808	279,162	116,354
Other Current Expenses	904,859	1,004,859	100,000
Materials & Supplies	908,999	467,535	(441,464)
Equipment Purchase	397,000	888,056	491,056
Buildings, Structures, & Improvements	2,368,367	0	(2,368,367)
Miscellaneous Changes	5,566,868	5,716,388	149,520
Total	$34,225,219	$34,552,770	$327,551

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 291.48 FTE, which is 15.77 FTE more than the 275.1 FTE in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
DBI - ADMINISTRATION SERVICES	38.08	38.08	40.62	2.54
DBI - INSPECTION SERVICES	135.53	135.53	142.24	6.71
DBI - PERMIT SERVICES	102.10	102.10	108.62	6.52
Totals	275.71	275.71	291.48	15.77

Department: DBI DEPARTMENT OF BUILDING INSPECTION **(continued)**

Included in the net number of 15.77 additional FTEs, the Department of Building Inspection's budget contains a total of 14 new position requests (10.5 FTE) for FY 2001-02. DBI's proposed new permanent positions are as follows:

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Total Annual Salaries
Personnel Clerk	1202	0.75	$44,351	1.0	$44,351
Clerk Typist	1424	2.25	41,461	3.0	124,383
Senior Clerk Typist	1426	1.50	45,431	2.0	90,862
Electrical Inspector	6248	0.75	74,699	1.0	74,699
Building Inspector	6331	2.25	80,796	3.0	242,388
Sr. Building Inspector	6333	0.75	89,073	1.0	170,664
Clerk	1404	0.75	38,893	1.0	38,893
Sr. Microphoto Tech.	1752	0.75	46,429	1.0	46,429
Chief Building Inspector	6334	0.75	98,192	1.0	98,192
Total		**10.50**		**14.0**	**$930,861**

The Budget Analyst is recommending approval of ten (7.5 FTE) of the 14 requested new positions. The Budget Analyst is recommending disapproval of the remaining four (3.0 FTE) requested new positions.

Special Assistants

DBI currently has 11 Special Assistant positions, 10 of which are proposed for reclassification in FY 2001-02. The proposed reclassifications are as follows:

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.00	1367	Special Assistant VIII	$56,402	1823	Sr. Admin. Analyst	$69,583
Exempt	1.00	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	4.00	1372	Special Assistant XIII	322,284	0922	Manager V	335,124
Exempt	2.00	1372	Special Assistant XIII	161,142	0922	Manager V	167,562
Exempt	1.00	1374	Special Assistant XV	93,281	0931	Manager VII	96,998
Provisional	1.00	1375	Special Assistant XVI	100,328	0932	Manager VIII	104,326
Totals	10.00			$814,008			$857,374

Department: DBI DEPARTMENT OF BUILDING INSPECTION (continued)

Of the 10 Special Assistants proposed for reclassification, one 1372 Special Assistant XIII position has remained vacant since its authorization as a new position in FY 2000-01. The position would be responsible for the coordination and maintenance of the Department's online services, allowing the public to access over the internet such DBI services as: application for and granting of permits, complaint filing, and records retrieval. According to Ms. Amy Lee of DBI, the 1372 Special Assistant position has remained vacant due to unavoidable delays in implementation of the Department's online service capabilities. DBI expects to fill the vacant position by October of 2001.

One additional filled 1366 Special Assistant VI is not included in the proposed reclassifications for FY 2001-02, as follows:

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Exempt	1.00	1366	Special Assistant VI	52,435	Filled
Totals	1.00			52,435	

According to Ms. Lee, in August of 2000 the Department used a transfer exchange ("TX"), approved by the Department of Human Resources (DHR), to temporarily reclassify the above filled position to a 1372 Special Assisntant XIII. The Budget Analyst notes that this transfer exchange resulted in a salary increase for one individual of $28,028, from $52,234 to $80,262 at the top step. Ms. Lee advises that DBI did not request to permanently reclassify the transfer exchange in DBI's FY 2001-02 budget because the Department was waiting to learn how DHR planned to address Special Assistants Citywide. However, DHR is currently reviewing a request to reclassify the 1366 Special Assistant VI to a 0922 Manager V, according to Ms. Lee. This position currently serves as DBI's Public Information Officer, liaison to the Mayor's Office, liaison to the Board of Supervisors, and liaison to other City departments and community advocacy groups.

DEPARTMENT REVENUES

The Department's fee-generated revenues have increased by $2,770,568 or 8.6 percent, from $32,059,953 in FY 2000-01 to $34,830,521 in the FY 2001-02. Total Department revenues have decreased by $2,019,065 or 5.35 percent, due primarily to a one-time appropriation in FY 2000-01 for Capital and Facilities Maintenance. The Department is completely funded through fee revenues that accrue to the Building Inspection Fund. Such fees can only be used for building inspection purposes.

Department: **DBI** DEPARTMENT OF BUILDING INSPECTION **(continued)**

Of the $2,770,568 increase in DBI's fee-generated revenues, major changes are as follows:

Revenue Source	FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Plan Checking	$6,434,560	$7,434,560	$1,000,000
Building Permits	12,414, 885	14,427,257	2,012,372
Additional Building Inspections	297,320	197,320	(100,000)
Additional Electrical Inspections	262,204	100,204	(162,000)
Miscellaneous Changes	12,650,984	12,671,180	20,196
Total	$32,059,953	$34,830,521	$2,770,568

DESCRIPTION

1. DBI's proposed budget includes an increase of $1,512,744, or 8.6 percent, in Permanent Salaries. According to Ms. Lee, the Department's workload has expanded significantly due to an increase in construction activity in recent years, and the transfer to DBI of additional responsibilities, such as the Earthquake Preparedness Program and the medium-voltage inspections previously performed by the Pacific Gas & Electric Company (PG&E). DBI is requesting a total of 14 new (10.5 FTE) new positions, including eight (6 FTE) administrative and six (4.5 FTE) inspection personnel, to manage the additional workload and meet the increased demand for service. The Department is also requesting the new staff to improve DBI's public service capabilities through program changes that include expediting permit approvals, improving Department response to requests for document copies and restructuring of its Code Enforcement Division to promote better case management of properties that are chronically non-compliant. As stated previously, the Budget Analyst is recommending approval of eight (6.0 FTE) of the 14 (10.5 FTE) requested new positions and disapproval of the remaining six (4.5 FTE) requested new positions.

2. DBI's proposed budget also includes an increase of $491,056, or 123.7 percent, in Equipment Purchases, from $397,000 in FY 2000-01 to $888,056 in the FY 2001-02 budget. Of the total $888,056 budget for Equipment Purchase, $368,056 would fund DBI's efforts to upgrade its computer system to facilitate management of DBI's information and documents. On June 11, 2001, the Controller's Office completed a two-year performance audit of the Department, which recommended automating and allowing for electronic tracking of DBI's records. In FY 2000-01, DBI installed a new Oracle-based permit tracking system at a total cost of $1.5 million, $800,000 of which was expended on Professional Services related to the technical transition and $700,000 of which was spent on Equipment Purchases. According to Ms. Lee, the continued modernization of DBI's computer system funded in the FY 2001-02 budget would integrate the updated permit tracking system with DBI's various functions, enabling automated and electronic tracking of documents and records across all Department divisions, as well as more efficient processing of incoming information. The Budget Analyst is recommending approval of $363,056 of the $368,056 request for computer technology purchases.

Department: DBI DEPARTMENT OF BUILDING INSPECTION (continued)

The remaining $520,000 of the total $888,056 requested for Equipment Purchases would fund six replacement pick-up trucks, one new pick-up truck, 11 replacement automobiles, and four new automobiles. Ms. Lee advises that the City's Memorandum of Understanding (MOU) with the Building Inspectors' Association requires that the Department make a good faith effort to provide vehicles for all Inspectors who conduct fieldwork. DBI is required to reimburse Inspectors who must use their privately-owned vehicles for City business at $75 per month. Currently DBI has a fleet of 117 vehicles and an inspection staff of approximately 180 employees, all of whom perform fieldwork on a daily basis. The Budget Analyst is recommending approval of the requested new vehicles.

3. Other significant increases in DBI's FY 2001-02 budget include:

- DBI's budget for Training increased by $116,354, or 71.5 percent, from $162,808 in FY 2000-01 to $279,162 in the FY 2001-02. The $279,162 budget includes: (a) $69,000 for computer training to enable management and maintenance of DBI's new computer system, discussed above, and (b) $210,162 to meet State requirements for certification and continuing education for all Inspectors, Plan Checkers, and Building Officials.

- DBI's budget for Professional and Specialized Services increased by $323,971, or 16.6 percent, from $1,956,400 in FY 2000-01 to $2,280,371 in the FY 2001-02. The $2,280,371 budget includes: (a) $1,554,405 for computer-related services to support the Department's technology modernization discussed above, (b) $661,300 for on-going Professional Services contracts, and (c) $64,666 to provide a shuttle services for employees located at 1660 Mission.

- DBI's budget for Other Current Expenses increased by $100,000 or 11.1 percent, due to an increase in the number of customers using credit cards to pay DBI fees and the resulting increase in credit card processing costs.

COMMENTS

1. The Board of Supervisors approved a two-year renovation project at the City-owned 1660 Mission Street facility during the FY 1998-99 budget process. The project involves constructing a new 25,000 square foot office annex interconnected to the existing structure at 1660 Mission. The additional space would accommodate the needs of DBI, the Fire Department's Bureau of Fire Prevention, and portions of the City Planning Department. According to Ms. Lee, the renovation project was scheduled to begin in October of 2000 and to be completed by mid-2002. Of the total $7.6 million appropriated to the project from the Department's unappropriated fund balance since FY 1998-99, $982,367 has already been expended on design and engineering work. However, Ms. Lee advises that construction has not yet begun due to conflicts over project design with the International Federation of Professional and Technical Engineers (ITFPTE), Local 21. Ms. Lee advises that negotiations with Local 21 over the design plans are currently underway and are anticipated to be completed by the beginning of 2002. The

Department: DBI DEPARTMENT OF BUILDING INSPECTION **(continued)**

construction schedule of two years would then allow for occupation of the new annex in early 2004. Ms. Lee reports that, if negotiations fail, the capital project may be abandoned, in which case DBI would request that the Board of Supervisors reappropriate the project funds to renovate and expand the Department's Permit Center, which provides centralized public access to permit-related services.

2. As of June 7, 2001, DBI's Building Inspection Fund contained an unappropriated fund balance of $2,265,607, or $2,623,329 less than the $4,888,936 balance as of June of 2000. Ms. Lee advises that the decrease in the unappropriated fund balance was due to a $2,623,329 appropriation during FY 2000-01 to the 1660 Mission Street renovation project. In addition, the Building Inspection Fund contains an additional $9.1 million in unearned revenue that has been collected from multi-year building projects that pay their DBI fees during one fiscal year, but will continue to require DBI's services in future fiscal years.

3. Although the Department's total budget has increased by $712,551, or 2.08 percent, due to a $2,368,367 reduction in Capital and Facilities Maintenance, the Mayor's operating budget provides an increase of $3,080,918 or 9.6 percent. Our recommended reductions, which total $481,437, would still allow an increase of $2,599,481, or 8.14 percent, in the Department's operating budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: DBI - Department of Building Inspection

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi
		Administration Services (BAN)						
1232	001	Permanent Salaries - Misc.				$2,488,732	$2,396,522	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1240	001	Building Inspector	6331L	2.00	1.00	161,591	80,796	$80,7
		To eliminate two vacant 0.50 FTE positions in accordance with the Department's re-evaluated priorities.						
1240	001	Attrition Savings		(2.38)	(2.55)	(154,232)	(165,647)	11,4
		Increase to offset the effect of the Department's upward substitution of two positions, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.						
1232	005	Temp Salaries - Misc.				105,491	60,060	45,4
		Reduce to reflect one temporary 1426 Senior Clerk Typist position to be replaced by a permanent position.						
1232	013	Mandatory Fringe Benefits				692,193	668,197	23,9
		Corresponds to reduction in salaries.						

epartment: DBI - Department of Building Inspection

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1232	021	Travel Reduce to FY 2000-01 budget level adjusted by a cost of living factor for FY 2001-02. Our reduction of $2,684 in Travel would allow an increase of $277 from the Department's FY 2000-01 budget level.				$ 10,800	$ 8,152	$ 2,648
spection Services (BIS)								
234	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				9,712,631	9,652,034	*
242	001	Building Inspector Disapprove one new position not sufficiently justified. The reduction would still allow for the authorization of one new Building Inspector position, in addition to the 33 existing Building Inspectors, one of which was created in FY 2000-01.	6331N	1.50	0.75	121,194	60,597	60,597
34	005	Temp Salaries - Misc. Reduce to reflect elimination of one 0.50 FTE 1371 Special Assistant XII position in accordance with the Department's reevaluated priorities.				302,347	264,372	37,975

Department: DBI - Department of Building Inspection

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi
1234	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				$ 2,326,042	$ 2,309,742	$ 16,
1234	021	Travel Reduce to reflect potential cost savings to be achieved by purchase of new vehicles. The City's MOU with the Building Inspectors' Association provides that employees who use their privately-owned vehicles for City business must be reimbursed. The Budget Analyst is recommending approval of the Department's request for 4 new vehicles.				16,557	9,157	7,

Permit Services (BPS)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi
1236	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				6,985,828	6,835,010	*
1243	001	Clerk Disapprove one requested new position not sufficiently justified. The program currently has 8 Principal Clerk Typists, 4 Clerk Typists and 19 Senior Clerk Typists. Five of these clerical positions were created in FY 2000-01.	1404N	0.75	0.00	29,920	0	29
1243	001	Senior Clerk Typist Disapprove one requested new position in accordance with the Department's re-evaluated priorities.	1426N	0.75	0.00	34,073	0	34,

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

partment: DBI - Department of Building Inspection

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
245	001	Chief Building Inspector Disapprove one requested new position in accordance with the Department's re-evaluated priorities.	6334N	0.75	0.00	$ 73,644	0	$ 73,644
45	001	Attrition Savings Increase to offset the effect of the Department's upward substitution of one position, which has resulted in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.		(9.45)	(9.65)	(617,991)	(631,172)	13,181
126	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				1,710,973	1,674,316	36,657
125	027	Professional & Specialized Services Reduce for non-specified items.				1,554,405	1,552,000	2,405
25	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				368,056	363,056	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: DBI - Department of Building Inspection

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1247	060	Color Printer Disapprove equipment not sufficiently justified.	BI009N	1.00	0.00	$ 5,000	0	$ 5,0
		Total Recommended Reductions						$481,4
		Total Recommended Reserves						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: ECD - EMERGENCY COMMUNICATIONS DEPARTMENT

FINANCIAL DATA:

The Emergency Communication Department's proposed $31,103,705 budget for FY 2001-02 is $815,042 or 2.55 percent less than the original FY 2000-01 budget of $31,918,747. The net decrease from the revised FY 2000-01 budget is $815,043 or 2.55 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
911 PROJECT	$ 13,379,785	$ 13,379,785	$ 11,968,905	$ (1,410,880)
CITYWIDE RADIO SYSTEM	841,964	841,964	31,095	(810,869)
EMERGENCY COMMUNICATIONS	16,962,473	16,962,474	19,103,705	2,141,232
Total Operating Expenditures	$ 31,184,222	$ 31,184,223	$ 31,103,705	$ (80,517)
Capital Improvements & Fac. Maint.	$ 734,525	$ 734,525	$ -	$ (734,525)
Total Expenditures	$ 31,918,747	$ 31,918,748	$ 31,103,705	$ (815,042)
Less: Work Order Recoveries	(110,645)	(110,645)	(110,645)	-
Net Expenditures	$ 31,808,102	$ 31,808,103	$ 30,993,060	$ (815,042)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 161.03 FTEs, which is 3.72 FTEs less than the 164.75 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ECD - EMERGENCY COMMUNICATIONS DEPARTMENT (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
911 PROJECT	4.00	4.00	-	(4.00)
CITYWIDE RADIO SYSTEM	3.88	3.88	-	(3.88)
EMERGENCY COMMUNICATIONS	156.87	156.87	161.03	4.16
Totals	164.75	164.75	161.03	(3.72)

DEPARTMENT REVENUES

Department revenues have increased by $3,580,154 or 22.98 percent and General Fund support has increased by $2,030,587 or 12 percent.

Special Assistant Positions Recommended for Reclassification
The following Special Assistant positions have been reclassified in the ECD proposed budget.

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1372	Special Asst XIII	$ 80,571	0922	Manager V	$ 83,78
Exempt	1	1374	Special Asst XV	93,281	0953	Deputy Director III	120,74
Provisional	1	1367	Special Asst VIII	56,402	1842	Management Asst	59,26
Provisional	1	1372	Special Asst XIII	80,571	2533	Emergency Medical Services Agency Specialist	82,97
Exempt	1	1372	Special Asst XIII	80,571	0922	Manager V	83,78
Exempt	1	1378	Special Asst XIX	124,053	0953	Deputy Director III	120,74
Exempt	1	1380	Special Asst XXI	140,862	0963	Department Head III	137,38
Exempt	1	1374	Special Asst XV	93,281	1071	Information Services Mgr	115,67
Provisional	1	1372	Special Asst XIII	80,571	1054	Principal Business Analyst	85,42
						Step Adjustments	(31,08
Totals	9			$830,163			$ 858,69

Department: ECD - EMERGENCY COMMUNICATIONS DEPARTMENT (continued)

Special Assistant Positions Eliminated in the ECD proposed Budget.

The ECD's proposed FY 2001-02 budget has deleted two Special Assistant positions that were funded under the 911 Project program. Positions deleted are a 1375 Special Assistant XVI at an annual salary of $80,571 and a 1376 Special Assistant XVII at an annual salary of $107,976.

Remaining Special Assistant Positions

The following Special Assistant positions remain in the ECD proposed budget.

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	1	1369	Special Asst X	$ 65,160	Filled
Exempt	1	1374	Special Asst XV	93,281	Filled
Totals	2			$ 158,441	

DESCRIPTION

The overall decrease in the ECD budget of $815,042 is primarily due to a $734,525 reduction in Capital Improvements and Facilities Maintenance Projects.

911 Project expenditures for Professional and Special Services has decreased significantly by approximately $2.85 million. This decrease is largely offset by increased payments for Equipment Lease Financing related to the completion of the 911 Project.

Since becoming an operating department in FY 1999-00, ECD has experienced great difficulty in recruiting and hiring Communications Dispatcher positions. The FY 2000-01 budget includes $2,043,768 in attrition savings and the Mayor's proposed FY 2001-02 budget has increased ECD's attrition savings by $223,690 to $2,267,458.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ECD - EMERGENCY COMMUNICATIONS DEPARTMENT

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savin
1354	001	Permanent Salaries - Misc.				$9,433,284	$8,939,841	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following recommendations.						
1361		Business Analyst Senior	1053	1.0	0.0	73,785	0	$73,7
1361		Special Assistant XIII	1372	2.0	0.0	161,142	0	161,1
1362		Special Assistant XV	1374	1.0	0.0	93,281	0	93,2
1362		Radio Technician	7367	1.0	0.0	82,975	0	82,9
		Approval of the transfer of these five positions from 911 Project Funding to ongoing General Fund support is a policy matter for the Board of Supervisors.						
1361		Special Assistant VIII	1367	(1)	0	(56,402)	0	(56,4
1362		Management Assistant	1842	1	0	59,260	0	59,2
		Disapprove the proposed reclassification of a vacant 1367 Special Assistant VIII to a 1842 Management Assistant. The Department has not obtained DHR approval and has not provided adequate justification for this reclassification.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

epartment: ECD - EMERGENCY COMMUNICATIONS DEPARTMENT

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
61		Special Assistant VIII	1367	1	0	56,402	0	56,402
		Delete the vacant Special Assistant VIII position for which the Department has requested a reclassification without DHR approval.						
53		Attrition Savings - Misc.	9993M	-39.65	-40.1	(2,275,867)	(2,298,867)	23,000
		Increase attrition savings to level achieved by the department in the current fiscal year.						
4		Mandatory Fringe Benefits	13			2,449,035	2,337,177	111,858
		Total Recommended Reductions						**$605,301**

DEPARTMENT: ECN BUSINESS AND ECONOMIC DEVELOPMENT

FINANCIAL DATA:

The Department of Business & Economic Development's proposed $13,129,879 budget for FY 2001-02 is $6,465,851 or 33 percent less than the original FY 2000-01 budget of $19,595,730. The net decrease from the revised FY 2000-01 budget is $6,877,415 or 34.37 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ECONOMIC DEVELOPMENT	$ 3,066,278	$ 3,066,278	$ 2,446,870	$ (619,408)
FINANCE & LEGISLATIVE AFFAIRS	176,039	176,039	187,193	11,154
OFFICE OF SMALL BUSINESS AFFAIRS	588,936	588,936	620,707	31,771
SEISMIC SAFETY LOAN PROGRAM	382,394	382,394	394,054	11,660
TREASURE ISLAND	8,382,083	8,793,647	9,481,055	1,098,972
Total Operating Expenditures	$ 12,595,730	$ 13,007,294	$ 13,129,879	$ 534,149
Capital Improvements & Fac. Maint.	$ 7,000,000	$ 7,000,000	$ -	$ (7,000,000)
Total Expenditures	$ 19,595,730	$ 20,007,294	$ 13,129,879	$ (6,465,851)
Less: Work Order Recoveries	(3,971,910)	(3,971,910)	(3,841,813)	130,097
Net Expenditures	$ 15,623,820	$ 16,035,384	$ 9,288,066	$ (6,335,754)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 31.56 FTEs, which is 2.73 FTEs more than the 28.83 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: ECN BUSINESS AND ECONOMIC DEVELOPMENT (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ECONOMIC DEVELOPMENT	13.36	13.36	14.05	0.69
FINANCE & LEGISLATIVE AFFAIRS	2.00	2.00	2.00	-
OFFICE OF SMALL BUSINESS AFFAIRS	0.75	0.75	2.75	2.00
SEISMIC SAFETY LOAN PROGRAM	1.00	1.00	1.00	-
TREASURE ISLAND	11.72	11.72	11.76	0.04
Totals	28.83	28.83	31.56	2.73

*Special Assistant Positions Recommended for Reclassification**

Exempt / Provisional	Count	Old Class	Title	Total Salary	New Class	Title	Total Salary
Economic Development	1	1370	Special Asst XI	$70,627	1923	Manager VI	$90,105
	2	1372	Special Asst XIII	161,141	0922	Manager V	167,562
	1	1374	Special Asst XV	93,281	0931	Manager VII	96,998
	1	1375	Special Asst XVI	100,329	0932	Manager VIII	104,327
	1	1375	Special Asst XVI	100,329	0932	Manager VIII (Work Order)	104,329
	1	1376	Special Asst XVII	107,976	0923	Manager VI	90,105
	1	1381	Special Asst XXII	151,615	0941	Manager X	120,746
	1	1381	Special Asst XXII	151,615	0943	Manager XII	146,475
GF Continuing Projects: 3Com Park	1	1376	Special Asst XVII	107,976	0933	Manager IX	112,278
General Fund Work Order**	1	1372	Special Asst XIII	80,571	0932	Manager VIII	104,326
Seismic Safety Loan Program	1	1373	Special Asst XIV	86,652	0923	Manger VI	90,105

Continued on next page

*All Special Assistant positions in the Department of Business and Economic Development are exempt.

**Note: one 1375 Special Assistant XVI position from Economic Development was transferred to General Fund Work Order Fund, as noted under Economic Development.

Department: ECN BUSINESS AND ECONOMIC DEVELOPMENT **(continued)**

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Total Salary	New Class	Title	Total Salary
Treasure Island	1	1366	Special Asst VII	52,435	0922	Manager V	83,781
	1	1368	Special Asst IX	60,708	0923	Manger VI	90,105
	3	1372	Special Asst XIII	241,712	0922	Manager V	251,343
	1	1374	Special Asst XV	93,281	0943	Manager VII	96,998
	1	1376	Special Asst XVII	107,976	0933	Manager IX	112,278
	1	1381	Special Asst XXII	151,615	0943	Manager XII	146,475
Office of Small Business Affairs	1	1366	Special Asst VII	52,435	1365	Sp. Asst VI	48,729
	1	1374	Special Asst XV	93,281	0931	Manager VII	96,998
Finance & Legislative Affairs	1	1367	Special Asst VIII (vacant)	56,402	1368	Sp Asst IX	60,709
	1	1376	Special Asst XVII	107,976	0933	Manager IX	112,278
Totals	24			$1,433,231			$2,327,050***

***Total increase in salaries is $97,117.

Remaining Special Asssistant Positions

Program	Count	Class	Title	Total Salary	Filled / Vacant
Economic Development	1	1365	Special Asst VI	$48,729	Filled
	1	1367	Special Asst VIII	56,402	Filled
	1	1369	Special Asst X	65,615	Filled
	1	1371	Special Asst XII	79,951	Filled
3Com Project	1	1365	Special Asst VI	48,729	Filled
Treasure Island	2	1363	Special Asst IV	84,668	Filled
	1	1367	Special Asst VIII	56,402	Filled
	1	1369	Special Asst X	65,615	Filled
Office of Small Business Dev't	1	1368	Special Asst IX	45,531	New
Totals	10			$551,642	

Department: ECN BUSINESS AND ECONOMIC DEVELOPMENT (continued)

DEPARTMENT REVENUES

Department revenues have decreased by $5,798,117 or 46.75 percent and General Fund support has decreased by $537,637 or 16.7 percent. This reduction is largely the result of the removal of a $7,000,000 grant from the State Transportation Committee, which was misappropriated to the Business and Economic Development Department in FY 2000-01. This $7,000,000 grant is for street improvements on Ocean Avenue, which is a MUNI capital project and the grant funds have now been transferred to MUNI's budget. If the $7,000,000 is not included in the Business and Economic Development Department, revenues increase by $1,201,883 in FY 2001-02. This increase is largely due to the projected $1,390,223 increase in revenues from property rentals on Treasure Island. Treasure Island is projected to receive revenues from the City's General Fund from the Police Department ($1.2 million), Fire Department ($1.8 million), Sheriff's Department ($260,871) and District Attorney ($36,000) leases for the use of Treasure Island facilities, which will total approximately $3,296,871 in FY 2001-02.

DESCRIPTION

If the $7,000,000 MUNI grant discussed above is not included in the budget, the Department's expenditures are actually increasing by $534,149. The Treasure Island budget is increasing by $1,098,972, largely due to increased expenses associated with the upkeep of the City's rental property and an increase of $782,115 in the Services of Other Departments, which corresponds to increases for the Fire Department suppression services provided to Treasure Island.

As summarized below, Treasure Island will receive a total of approximately $3,296,871 of revenues from the City's General Fund for leasing property to the Police, Fire, District Attorney and Sheriff Departments. In response to Treasure Island's representation that Treasure Island provides $6 million of revenues to the City, less, as noted above, the approximately $3.0 million in lease revenues that the City pays to Treasure Island, the Budget Analyst has analyzed the Treasure Island revenues which accrue to the City. Such revenues are budgeted at $6,265,179 for FY 2001-2002. However, the Budget Analyst observes that the approximately $6.3 million does not represent additional income. The revenues from Treasure Island simply represent reimbursements to the City for direct services that the City has provided Treasure Island at the request of Treasure Island. As detailed in the following chart, such City services are provided by the Department of Telecommunications and Information Services (DTIS), City Attorney, the Fire Department, Reproduction services of the Administrative Services Department, Police security services and the Department of Public Works (DPW) for building repairs, engineering and construction. These revenues paid by Treasure Island to the City do not result in additional net revenues to the City's General Fund. Therefore, the representation made by Treasure Island that Treasure Island has provided the City with net revenues of $3 million is not valid.

Department: ECN BUSINESS AND ECONOMIC DEVELOPMENT **(continued)**

Treasure Island Reimbursements Paid to City for Services Provided by the City to Treasure Island

Department	**2000-01 Original Budget**	**Proposed 2001-02 Budget**
DTIS	$26,902	$48,339
City Attorney	367,200	391,068
Fire	3,397,191	4,154,001
Reproduction	5,000	5,000
Police	308,271	308,271
DPW	1,358,500	1,358,500
Total	**$5,463,064**	**$6,265,179**

City Expenditures Paid to Treasure Island for the City's Leasing of Facilities at Treasure Island

Department	**2000-01 Original Budget**	**Proposed 2001-02 Budget**
Police	$1,200,000	$1,200,000
Sheriff	260,871	260,871
Fire	1,800,000	1,800,000
District Attorney	36,000	36,000
Total	**$3,296,871**	**$3,296,871**

In addition to the misrepresentation regarding revenue which was made by Treasure Island, the Budget Analyst notes that Treasure Island does not reimburse the City for direct Police protection services that are provided on Treasure Island, other than the above noted $308,271 for some security guard services. On an annual basis, the Police Department provides an estimated $1,764,175 of direct Police services to Treasure Island, not including indirect costs or overtime incurred. The City receives no compensation from Treasure Island for such costs. The Budget Analyst recommends that all such services provided by the Police Department to Treasure Island should be reimbursed to the City's General Fund.

Department: ECN BUSINESS AND ECONOMIC DEVELOPMENT **(continued)**

The Office of Small Business Affairs, which was established in 1999, is proposing to increase its budget by $31,771. This increase is the result of the addition of 2.0 FTE positions – one new 1368 Special Assistant IX and one 1366 Special Assistant VII, which is to be transferred from the Economic Development Division of the Business and Economic Development Department to the Office of Small Business Affairs of the Business and Economic Development Department. The actual $151,771 increase in the Office of Small Business Affairs salary and fringe benefit costs are nearly offset by $120,000 in decreasing non-personnel expenditures.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: **ECN - Business and Economic Development**

Page No. BK5	Object	Economic Development	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
1375	001	Permanent Salaries - Misc.				$981,426	$934,011	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						
1384		Attrition Savings - Misc.	9993M			(77,585)	(125,000)	$47,4
		Increase Attrition Savings - Misc. to reflect current projected expenditure rates in FY 2000-01. However, to be conservative, we have provided 50 percent more funds than we estimate will be needed. Current year projections indicate that the Department will have surplus salary funds of approximately $250,000.The recommended increase in Attrition Savings - Misc. to $125,000 will therefore only delete 50 percent of this surplus.						
1375	013	Mandatory Fringe Benefits				212,543	202,112	10,4
		Corresponds to the reduction in Attrition Savings - Misc.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

epartment: ECN - Business and Economic Development

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
75	025	Entertainment and Promotion				65,000	0	65,000

The requested $65,000 for Entertainment and Promotion was for the International Film Financing Conference (IFFCON), to be held in San Francisco. The Department indicates that these funds are intended to promote economic activity from the film industry in San Francisco. Current year funding for Entertainment and Promotion is at the same $65,000 level. The Department indicates that $65,000 of funds were expended in August of 2000, under the Other Current Expenses line item, for expenditures related to IFFCON.

A review of the Other Current Expenses line item indicates that the Department will have sufficient funds to pay this IFFCON $65,000 out of the Other Current Expenses account. Therefore, this $65,000 for Entertainment and Promotion is no longer necessary.

Department: ECN - Business and Economic Development

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
BK6		Treasure Island						
1378	001	Permanent Salaries - Misc.				911,028	753,141	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						
1387		Special Assistant VII	1366S	0.0	1.0	0	52,435	(52,43
		Manager V	0922S	1.0	0.0	83,781	0	83,7

Reverse requested upward substitution, which has not been fully justified. The Budget Analyst questions why eight of the Department's 12 positions are managers, budgeted at $83,781 or more at the top step. As reflected above, the proposed budget, if approved, would result in an upward substitution with a maximum annual salary increase of 59.8 percent, or $31,346, not including fringe benefits, for this one position.

However, the Department reports that in July of 2000, after the FY 2000-01 Budget was approved, the 1366 Special Assistant VII was actually reclassified to the higher level 1372 Special Assistant XIII, without the Board of Supervisors' budgetary authorization. As such, the Department reports that although the budget reflects the above noted increase, the individual that occupies this position would not receive this $31,346 increase in salary, since this position has already been upgraded to a salary range of between $66,268 to $80,571.

epartment: ECN - Business and Economic Development

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
87		Special Assistant IX	1368S	0.0	1.0	0	60,709	(60,709)
		Manager VI	0923S	1.0	0.0	90,105	0	90,105

Reverse requested upward substitution, which has not been fully justified. The Budget Analyst questions why eight of the Department's 12 positions are managers, budgeted at $83,781 or more at the top step. As shown above, the Manager VI would make an annual salary of $90,105 at the top step, not including fringe benefits. The proposed budget, if approved, would result in an upward substitution with a maximum annual salary increase of 48.4percent, or $29,396, not including fringe benefits, for this one position.

However, the Department reports that in July of 2000, after the FY 2000-01 Budget was approved, the 1368 Special Assistant IX was actually reclassified to the higher level 1372 Special Assistant XIII, without the Board of Supervisors' budgetary authorization. Separately, another 1372 Special Assistant XIII was reclassified to a 1373 Special Assistant XIV position. As such, although the budget reflects the above noted increase, the Department indicates that this reflects two individuals that received upward reclassifications.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ECN - Business and Economic Development

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
1387		Attrition Savings - Misc.	9993M			(18,717)	(87,726)	69,0

Increase Attrition Savings - Misc. to reflect that four upward substitutions of Special Assistant classifications occurred over the past three years, without reflecting such changes in prior year budgets. These upward substitutions resulted in new position classifications at increased salary and fringe benefit costs. The Department did not request or receive position or budgetary approval from the Board of Supervisors in FY 1999-2000 or FY 2000-01 for these upward substitutions. This recommendation would offset the effect of these four upward substitutions for a one year period.

According to the Department, "The TI Project Budget for personnel expenses did not really increase $100,000 for FY 02 over FY 01. In fact, the Mayor's budget office did not acknowledge our advice that several personnel changes had been made in FY 00 that should be reflected in the FY 01 position budget. Similar changes were not made for classification changes that occurred in FY 99 and should have been included in the FY 00 budget."

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
1378	013	Mandatory Fringe Benefits				208,872	183,187	25,68

Corresponds to the reduction in Permanent Salaries - Misc.

epartment: ECN - Business and Economic Development

'age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
78	025	Entertainment and Promotion				85,820	18,153	67,667
		Reduce requested Entertainment and Promotion budget to reflect projected actual expenditures for FY 2000-01, adjusted by a cost of living factor. The Department advises that this account is used for activities related to Special Events, such as the Department's costs (ie. painting of facilities, extra garbage clean-up) to accommodate outside contractor's film shoots and additional landscaping and monitoring costs for other events on Treasure Island. The Budget Analyst additionally observes that the Department's explanation for the expenditures in this account do not appear to represent Entertainment and Promotion.						
178	035	Other Current Expenses				176,620	95,000	81,620
		Reduce to reflect actual need of Department for Other Current Expenses.						
B37		Office of Small Business Affairs						
131	001	Permanent Salaries				190,531	190,531	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: ECN - Business and Economic Development

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1389		Special Assistant VII	1366R	1.0	1.0	52,435	52,435	-
		Special Assistant IX	1368N	0.75	0.75	45,531	45,531	-

The FY 2000-01 budget for the Office of Small Business Affairs currently includes one Special Assistant XV. The proposed FY 2001-02 would (1) reclassify the one Special Assistant XV ($93,281 annual salary) to a 0931 Manager VII ($96,998 annual salary) , (2) transfer one Special Assistant VII ($52,435 annual salary) position from the Economic Development Division to the Office of Small Business Affairs, and (3) add one (0.75 FTE) new Special Assistant IX ($60,708 annual salary) position. Therefore, the proposed budget reflects an increase of 1.75 FTEs from one permanent FTE to 2.75 permanent FTE positions, that would be annualized to three permanent FTE positions in future years. Approval of the one new permanent 1368 Special Assistant IX position and the transfer of one permanent 1366 Special Assistant VII position, is a policy matter for the Board of Supervisors because the proposed changes would, in effect, triple the size of the staff in the Office of Small Business Affairs at an estimated annualized cost of $112,911, not including fringe benefits.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1381	035	Other Current Expenses				380,000	360,000	20,

Reduce Other Current Expenses to reflect that actual expenditures are estimated to be $340,000 for the current fiscal year. These funds are used for programs that assist and encourage small business development in San Francisco. The Department agrees with the proposed recommendation, which will still allow a $20,000 increase from projected actual expenditures in FY 2000-01. The Department expects to use the additional $20,000 in funds for additional programming in FY 2001-02.

Total Recommended Reductions $447,

DEPARTMENT: HHP HETCH HETCHY

FINANCIAL DATA:

Hetch Hetchy's proposed $137,387,211 budget for FY 2001-02 is $18,721,629 or 15.78 percent more than the original FY 2000-01 budget of $118,665,582. The net increase from the revised FY 2000-01 budget is $15,752,118 or 12.95 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
HETCH HETCHY CAPITAL PROJECTS	$ -	$ 3,381,102	$ -	$ -
WATER CAPITAL PROJECTS	-	-	-	-
WATER SUPPLY & POWER OPERATIONS	99,505,582	102,456,582	99,232,211	(273,371)
Total Operating Expenditures	$ 99,505,582	$ 105,837,684	$ 99,232,211	$ (273,371)
Capital Improvements & Fac. Maint.	$ 19,160,000	$ 15,797,409	$ 38,155,000	$ 18,995,000
Total Expenditures	$ 118,665,582	$ 121,635,093	$ 137,387,211	$ 18,721,629
Less: Work Order Recoveries	(222,298)	(3,173,298)	(650,124)	(427,826)
Net Expenditures	$ 118,443,284	$ 118,461,795	$ 136,737,087	$ 18,293,803

Department: HHP HETCH HETCHY (continued)

Major expenditure changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Permanent Salaries	$10,450,975	$11,803,924	$1,352,949
Professional & Specialized Services	2,909,090	2,160,000	(749,090)
Purchase of Power for Resale	35,271,210	63,300,000	28,028,790
Capital Improvements	19,160,000	38,155,000	18,995,000
Transfer to the General Fund	29,850,000	0	(29,850,000)
Total	$97,641,275	$115,418,924	$17,777,649

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 190.08 FTEs, which is 11.47 FTEs more than the 178.61 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-1999 Original	Fiscal Year 2000-1999 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
WATER SUPPLY & POWER OPERATIONS	178.61	178.61	190.08	11.47
Totals	178.61	178.61	190.08	11.47

There are no new positions requested by Hetch Hetchy for FY 2001-02.

There are no special assistant positions in Hetch Hetchy.

Hetch Hetchy's Permanent Salaries are increasing by $1,352,949 or 12.9 percent, from $10,450,975 in FY 2000-01 to $11,803,924 in FY 2001-02. This increase is due to: (a) 7 off-budget positions being converted to the operating budget, (b) 3.5 positions being annualized, (c) a net of 5 positions transfers from other departments, and (d) 3 position deletions by the Public Utilities Commission.

Department: HHP HETCH HETCHY (continued)

DEPARTMENT REVENUES

Department revenues have increased by $38,076,810 or 32.18 percent.

Major changes in Department Revenue are as follows:

	FY 2000-01	FY 2001-02	Change
Interest Earned	$2,000,000	$2,500,000	$500,000
Sale of Electricity	89,935,000	115,738,094	25,803,094
Revenue Transfer	19,160,000	38,155,000	18,995,000
Beginning Fund Balance	7,221,284	0	(7,221,284)
Total	$118,316,284	$156,393,094	$38,076,810

DESCRIPTION

1. The Hetch Hetchy revenue transfer to the General Fund has been eliminated from the Mayor's FY 2001-02 Budget. The revenue transfer was budgeted at $29,850,000 in the FY 2000-01 Budget. According to the Department, this action has been taken because of the increased cost of purchasing electric power for resale. Also, budgeted expenditures for capital projects have been increased by $18,995,000, including $15 million for a "Mayor's Energy Conservation Account." The Mayor's Energy Conservation Account (MECA) consists of the following high-priority capital projects designed to conserve energy:

Project	**Estimated Cost**	**Hetch Hetchy Estimated Annual Savings (Electricity & Gas)**
Traffic Lights (Incandescent to LED)	$6,000,000	$700,000
DPH Health Centers (HVAC and Lighting Projects)	987,027	195,256
San Francisco General Hospital (Cogeneration System)	4,250,000	3,150,000
San Francisco General Hospital (HVAC System)	3,687,973	1,117,500
Harry Tracy Water Treatment Plant (Variable Frequency Drives[1])	75,000	7,321
Total	$15,000,000	$5,170,077

---

[1] A Variable Frequency Drive is a control system for adjusting the speed of electric water pumps based on need, thereby conserving energy.

Department: HHP HETCH HETCHY (continued)

2. Hetch Hetchy's total budget for FY 2001-02 has increased by $18,721,629, from $118,665,582 in FY 2000-01 to $137,387,211 in FY 2001-02. However, the FY 2000-01 total includes the $29,850,000 transfer to the General Fund. Excluding this transfer, the Department's budget has increased by $48,571,629, from $88,815,582 in FY 2000-01 to $137,387,211 in FY 2001-02. As shown on the Expenditure Table on the previous page, this increase results primarily from an increase of $28,028,790 in Power for Resale, and an increase $18,995,000 in capital improvements.

COMMENTS

1. In the FY 2000-01 Budget, Hetch Hetchy requested and received a variety of resources, including six new positions and the conversion of eight off-budget positions to operating budget positions, to create a new Energy Services Program in order to address changes in the electrical power industry since deregulation began in 1998. According to Ms. Laurie Park of Hetch Hetchy, the objective of the new Energy Services Program is for Hetch Hetchy to begin regaining lost revenues from the sale of Hetch Hetchy's hydroelectric power. Ms. Park stated that the new Energy Services Program will enable Hetch Hetchy to become more effective and aggressive in selling hydroelectric power to new and existing retail customers and providing new retail products and services, such as energy efficiency consulting and emergency response services for high-voltage electrical equipment. Hetch Hetchy projected that the new Energy Services Program would increase the Department's net revenues by an estimated $717,797 in FY 2000-01, by an estimated $1,730,000 in FY 2001-02, by an estimated $3,355,000 in FY 2002-03, and an estimated $4,355,000 in FY 2003-04. In addition, the proposed Energy Services Program was to allow Hetch Hetchy to expand its City energy conservation programs, which Hetch Hetchy anticipated would save the City an estimated $2.4 million in FY 2000-01 and an estimated $4 million a year from FY 2001-02 through FY 2003-04.

2. The Budget Analyst recommended approval of the Proposed Energy Services Program in the FY 2000-01 Budget, including the approval of 14 positions, given that Hetch Hetchy estimated that the additional costs of creating the new Energy Services Program would be $1,007,820 for FY 2000-01, and that the new Energy Services Program is projected to: (1) increase the Department's revenues by $717,797 in FY 2000-01, and continue increasing up to $4,355,000 in FY 2003-04, and (2) reduce City energy costs by $2.4 million in FY 2000-01, and continue reducing City energy costs by an estimated $4 million a year from FY 2001-02 through FY 2003-04.

3. The Budget Analyst also recommended that Hetch Hetchy provide a progress report on the new Energy Services Program to the Board of Supervisors at the end of FY 2000-01 and that the "progress report should include detailed explanations of all improvements in Hetch Hetchy's electricity-related services and all revenues generated by the new Energy Services Program."

4. On June 25, 2001, Hetch Hetchy presented the Budget Analyst with a report pertaining to the Department's recent accomplishments, including notable initiatives in energy conservation.

Department: HHP HETCH HETCHY (continued)

However, according to the Department, Hetch Hetchy was unable to fully implement their anticipated Energy Services Programs for the following reasons:

a. The nearly constant state of readiness for power emergencies;

b. Unprecedented volatility in the California electric spot market that required Hetch Hetchy to concentrate its efforts and expend resources on its power operations;

c. The combination of a 10-month reclassification of its professional/technical staff and the financial pressures on Hetch Hetchy due to extraordinary spot wholesale prices caused the Mayor's Office to place a hold on all Hetch Hetchy personnel requisitions until the Department's financial status became better understood. As a consequence, according to the Department, Hetch Hetchy was unable to fill many of its new positions until May 29, 2001.

5. As noted above, the Department projected that the new Energy Services Program would (1) increase the Department's revenues by $717,797 in FY 2000-01, and (2) save the City an estimated $2.4 million in FY 2000-01. However, according to the Department, those Energy Services goals were not achieved by the new Energy Services Program because "HH was unable to fill many of its new positions until May 29th, 2001."

6. Hetch Hetchy is requesting that a total of seven off-budget, project positions be converted to operating budget positions to further expand the Energy Services programs. The Budget Analyst is recommending disapproval of this request because the Department has not yet shown that it can meet the financial objectives for which the original 14 positions were approved in the FY 2000-01 Budget. The Department reports that currently, nine of the 14 positions have been filled. However, the Department also reports that four of the positions were transferred out of the Energy Services Program, including one that was transferred to the General Manager's Office "to meet an urgent need for a 1310 Public Relations Officer."

7. In May 2001, the City entered into a contract with Calpine Corporation to purchase 50 megawatts of electricity 24 hours a day for five years, beginning July 1, 2001. The total contract amount is $173.5 million for 2.19 million megawatt hours, an average price of $79.225 per megawatt hour. According to the Department, this five-year purchase of power has two significant benefits to Hetch Hetchy and the City: (1) the fixed price will reduce Hetch Hetchy's exposure to fluctuations in the volatile short-term "spot" market, and (2) the purchase will also serve as a hedge against drought. At the time at which the contract was executed, Hetch Hetchy staff estimated the first year economic benefit to the City at approximately $37 million. Hetch Hetchy has advised the Budget Analyst that currently, their best estimate of the cost of power for a contract of the type consummated with Calpine Corporation is between $45 and $50 per megawatt hour. Based on those rates, the cost of a five-year contract for 2.19 million megawatt hours would be between $98.6 million and $109.5 million.

8. The Mayor's budget provides an increase of $18,721,629. Our recommended reductions, which total $808,842, would still allow an increase of $17,912,787 or 15.1 percent in the Department's budget.

Department: HHP - Hetch Hetchy Project

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
HHY Operations								
1399	001	Permanent Salaries - Misc.				$11,803,924	$11,162,593	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1433	001	Watershed Forester	3486L	1.0	0.0	70,470	0	$70,4
		To delete a request to substitute a Watershed Forester position for a Limited Tenure Senior Energy Specialist position that the Department stated was essential as a new position in the FY 2000-01 Budget for the Energy Services Program. This recommendation will also result in acceptance of the Department's request to delete the Senior Energy Specialist position.						
1435	001	Utility Specialist	5602S	11.0	7.0	944,273	600,901	343,3
1435	001	Water and Power Specialist	5633O	0.0	4.0	0	333,349	(333,3)
		To deny the conversion of four off-budget positions to operating budget positions for the Energy Services Program. These positions were previously financed with bond fund monies and should continue to be financed with bond fund monies.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: HHP - Hetch Hetchy Project

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
133	001	Associate Engineer	5207S	4.0	3.0	$296,600	$222,450	$74,150
134	001	Utility Analyst	5601S	1.0	0.0	56,691	0	56,691
135	001	Water and Power Analyst II	5631O	0.0	2.0	0	128,100	(128,100)
		To deny conversion of two off-budget positions to operating budget positions for the Energy Services Program. These positions were previously financed with bond fund monies and should continue to be financed with bond fund monies.						
135	001	Water & Power Resources Manager	5634A	3.0	2.0	289,945	193,297	96,648
135	001	Water & Power Resources Manager	5634O	0.0	1.0	0	96,648	(96,648)
		To deny conversion of one off-budget positions to operating budget positions for the Energy Services Program. This position was previously financed with bond fund monies and should continue to be financed with bond fund monies.						
137	001	Non-Operating Position Offset	9997M	(8.0)	(1.0)	(593,175)	(1,151,272)	558,097
		Corresponds to the increases in non-operating position salaries for the seven Energy Services Program positions listed above.						
139	013	Mandatory Fringe Benefits				3,531,083	3,391,384	139,699
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: HHP - Hetch Hetchy Project

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1399	021	Travel Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02.				$63,348	$53,000	$10,
1399	022	Training Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02.				107,464	90,000	17,
1399	033	Power for Resale * Reserve $25,000,000 pending actual pricing of electricity and a report to the Board of Supervisors concerning the outlook for Purchase of Power.				63,300,000	63,300,000 *	
		Total Recommended Reductions						**$808,**
		Total Recommended Reserves						**$25,000,**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: LHP LIGHT, HEAT AND POWER

FINANCIAL DATA:

The Light, Heat & Power Department's proposed $94,021,576 budget for FY 2001-02 is $34,859,251 or 58.92 percent more than the original FY 2000-01 budget of $59,162,325. The net increase from the revised FY 2000-01 budget is $34,813,268 or 58.80 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
UTILITY SERVICES	$ 59,162,325	$ 59,208,308	$ 94,021,576	$ 34,859,251
Total Expenditures	$ 59,162,325	$ 59,208,308	$ 94,021,576	$ 34,859,251
Less: Work Order Recoveries	(55,824,936)	(55,824,936)	(91,333,988)	(35,509,052)
Net Expenditures	$ 3,337,389	$ 3,383,372	$ 2,687,588	$ (649,801)

Below are the General Fund expenditures administered by Light, Heat & Power:

General Fund Expenditures for Light. Heat and Power	2000-01 Budget	2001-02 Request	Change
PG&E Street Light Maintenance	$1,255,929	$1,245,929	($10,000)
Maintenance of City-Owned Streetlights	677,154	627,124	(50,030)
Materials and Supplies for Maintenance	148,537	177,670	29,133
Cal Trans Street Lighting Maintenance	24,300	24,300	0
Administrative Costs	1,231,469	612,565	(618,904)
Subtotal Operating Budget	$3,337,389	$2,687,588	($649,801)

Department: LHP LIGHT, HEAT AND POWER (continued)

Major expenditure changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Permanent Salaries	$455,172	$392,687	($62,485)
Buildings & Construction Supplies	148,537	177,670	29,133
Power for Resale	55,824,936	91,333,988	35,509,052
Other Current Expenses	479,501	2,287	(477, 214)
Services of Other Departments	794,166	685,654	(108,512)
Total	$57,702,312	$92,592,286	$34,889,974

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 6.80 FTEs, which is 1.01 FTEs less than the 7.81 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
UTILITY SERVICES	7.81	7.81	6.80	(1.01)
Totals	7.81	7.81	6.80	(1.01)

DEPARTMENT REVENUES

Light, Heat and Power does not generate its own revenues. However, expenditure recovery from other City Departments for the consumption of gas and electricity will increase by $35,509,052 or 63.6 percent, from $55,824,936 in FY 2000-01 to $91,333,988 in FY 2001-02. General Fund support for Light, Heat, and Power budgeted for FY 2001-02 is $2,687,588, which is $649,801, or 19.5 percent, less than the $3,337,389 in the original FY 2000-01 budget.

Department: LHP LIGHT, HEAT AND POWER (continued)

DESCRIPTION

1. The Bureau of Light, Heating and Power is responsible for all aspects of City street lighting and for billing the various City agencies for electricity, purchased natural gas, and purchased steam. The Bureau operates administratively under Hetch Hetchy Water and Power. The goals of the Bureau are to compute electric, steam, and gas bills for all City agencies, to compute all street lighting charges, and to provide and maintain adequate and energy-efficient lighting on City streets.

2. The Bureau of Light, Heat and Power reports that they have reviewed the amounts budgeted by the City departments for light, heat and power in the FY 2001-02 budget, and that the correct amounts have been budgeted.

3. All of the total increase of $34,859,251 in Department expenditures for FY 2001-02 results from Power for Resale, which increased from the FY 2000-01 budget due to the increased cost of gas and electricity.

4. General Fund expenditures for Light, Heat and Power are decreasing by $649,801 primarily because one-time costs of electrical hook-ups at City Hall ($477,214) are eliminated, the transfer of one position to Hetch Hetchy ($83,840), and reductions in services of Other Departments ($76,578).

5. Light, Heat and Power has no Special Assistant positions in its FY 2001-02 budget.

COMMENT

The Mayor's budget provides an increase of $34,859,251. Our recommended reductions, which total $17,670, would still allow an increase of $34,841,581 or 58.9% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: LHP - Light, Heat and Power

Page No.	Object		Position/ Equip-ment	Number From	Number To	Amount From	Amount To	Savings
1443	042	Building & Construction Supplies				$177,670	$160,000	$17,670
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
		Total Recommended Reductions						**$17,67**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: PAB BOARD OF APPEALS

FINANCIAL DATA:

The Board of Appeals proposed $431,406 budget for FY 2001-02 is $64,850 or 17.69 percent more than the original FY 2000-01 budget of $366,556. The net decrease from the revised FY 2000-01 budget is $8,514 or 1.94 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
APPEALS PROCESSING	$ 366,556	$ 439,920	$ 431,406	$ 64,850
Total Expenditures	$ 366,556	$ 439,920	$ 431,406	$ 64,850

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 4.38 FTEs, which is .05 FTE more than the 4.33 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
	4.33	5.14	4.38	0.05
Totals	4.33	5.14	4.38	0.05

Department: PAB BOARD OF APPEALS (continued)

SPECIAL ASSISTANT POSITIONS

The Board of Appeals has no Special Assistant positions.

DEPARTMENT REVENUES

General Fund support has increased by $64,850 or 20.40 percent.

DESCRIPTION

The Board of Appeals proposes increasing Permanent Salaries and Mandatory Fringe Benefits by $25,037 for FY 2001-02 to fund the expense of step increases and upward substitutions for existing positions. The proposed FY 2001-02 budget also includes (a) an increase of $19,543 for Materials & Supplies, and (b) an increase of $12,694 for Equipment Purchase.

COMMENT

The Mayor's budget provides an increase of $64,850. Our recommended reductions, which total $15,394, would still allow an increase of $49,456 or 13.49 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: PAB - Board of Appeals

'age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
49	040	Materials & Supplies				$22,043	$19,343	$2,700
		Reduce Materials & Supplies by $2,700. The recommended reduction of $2,700 would still result in an increase of $16,843 over the current FY budget. Our recommended amount of $19,343 will allow the Department to acquire four new computers and twelve new file cabinets.						
149	060	Equipment Purchase				12,694	0	12,694
		Reduce Equipment Purchase to eliminate 2 workstations for a total of $12,694. The Board of Appeals has already purchased the necessary workstations during FY 2000-01 and no longer needs any funds for Equipment Purchase.						
		Total Recommended Reductions						$15,394

DEPARTMENT: PRT PORT

FINANCIAL DATA:

The Port's proposed $89,121,635 budget for FY 2001-02 is $38,076,476 or 74.59 percent more than the original FY 2000-01 budget of $51,045,159. The net increase from the revised FY 2000-01 budget is $33,899,637 or 61.39 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
PORT - FACILITIES & OPERATIONS	$ 14,452,821	$ 25,233,942	$ 15,163,549	$ 710,728
PORT - FINANCE & ADMINISTRATION	19,587,630	19,587,630	29,399,483	9,811,853
PORT - MARITIME	1,476,189	1,476,189	1,577,187	100,998
PORT - PLANNING & DEVELOPMENT	1,970,047	1,970,047	2,008,045	37,998
PORT - REAL ESTATE & ASSET MANAGEMENT	5,488,820	5,488,820	8,011,029	2,522,209
Total Operating Expenditures	$ 42,975,507	$ 53,756,628	$ 56,159,293	$ 13,183,786
Capital Improvements & Fac. Maint.	$ 8,069,652	$ 1,465,370	$ 32,962,342	$ 24,892,690
Total Expenditures	$ 51,045,159	$ 55,221,998	$ 89,121,635	$ 38,076,476
Less: Work Order Recoveries	(13,500)	(99,500)	(13,500)	-
Net Expenditures	$ 51,031,659	$ 55,122,498	$ 89,108,135	$ 38,076,476

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 242.38 FTEs, which is 14.26 FTEs more than the 228.12 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: PRT PORT (continued)

Full Time Equivalents	Fiscal Year 2000-1999 Original	Fiscal Year 2000-1999 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
PORT - FACILITIES & OPERATIONS	133.78	133.78	136.89	3.11
PORT - FINANCE & ADMINISTRATION	46.44	46.44	56.62	10.18
PORT - MARITIME	10.79	10.79	12.25	1.46
PORT - PLANNING & DEVELOPMENT	16.37	16.37	15.86	(0.51)
PORT - REAL ESTATE & ASSET MANAGEMENT	20.74	20.74	20.76	0.02
Totals	228.12	228.12	242.38	14.26

The Port's budget contains a total of 14 new positions (10.5 FTE) for FY 2001-02, as shown below. A summary of the salary cost associated with the proposed new positions is as follows.

Class	Title	Existing Positions	2001-02	Salary 2001-02	FTE Annualized	Salary Annualized
Facilities and Operations						
5207	Associate Engineer	2.0	0.75	$55,613	1.0	$74,151
5241	Engineer	4.0	1.50	128,764	2.0	171,685
5266	Architectural Associate I	0.0	0.75	55,613	1.0	74,151
7205	Chief Stationary Engineer	0.0	0.75	54,796	1.0	73,061
7263	Maintenance Manager	0.0	0.75	61,191	1.0	81,588
7334	Stationary Engineer	2.0	0.75	43,580	1.0	58,107
7344	Carpenter	3.0	0.75	47,080	1.0	62,773
7395	Ornamental Iron Worker	4.0	0.75	44,964	1.0	59,952
7514	General Laborer	13.0	0.75	33,911	1.0	45,215
Subtotal Facilities and Operations		28.0	7.50	$525,432	10.0	$700,683
Maritime						
1426	Senior Clerk Typist	4.0	0.75	34,073	1.0	45,431
3232	Marina Assistant Manager	0.0	0.75	34,154	1.0	45,539
Subtotal Cargo Revenue		4.0	1.50	$68,227	2.0	$90,970
Finance and Administration						
1823	Senior Administrative Analyst	0.0	0.75	52,187	1.0	69,583
5620	Regulatory Specialist	0.0	0.75	49,936	1.0	66,581
Subtotal Finance and Administration		0.0	1.50	$102,123	2.0	$136,164
Total		32.0	10.5	$695,782	14.0	$927,817

The Budget Analyst is recommending approval of 12 of the 14 new positions, including two new Maritime positions that would assist in operating the new China Basin Ferry Terminal at Pac Bell Park,

Department: PRT PORT (continued)

the Hyde Street Harbor, and expanded ferry services at the Downtown Ferry terminal. We are recommending approval of nine of the ten Facilities & Operations new positions in order for the Port to address its significant backlog of deferred maintenance needs, continuing maintenance needs, and to develop a preventive maintenance system in conjunction with a new maintenance software system the Port plans to install in the next few months. According to Mr. Ben Kutnick of the Port, the Port's backlog of deferred maintenance has not been quantified, but is believed to be in excess of $100 million. We are recommending approval of one Regulatory Specialist position in Finance and Administration that would be responsible for implementing and operating the Port-wide environmental monitoring programs, including the storm water pollution prevention program and the air quality monitoring program.

We are recommending the disapproval of one Senior Administrative Analyst position in Finance and Administration and one Stationary Engineer position in Facilities & Operations. In addition, we are recommending that one Assistant Rental Manager position that has been vacant since April of 2000 be deleted.

The Port is proposing to reclassify the following two Special Assistant positions:

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1.00	1375	Special Assistant XVI	$100,328	9377	Feasibility Analyst	$68,904
Exempt	1.00	1376	Special Assistant XVII	107,976	5283	Planner V	98,371
Total	2.00			$208,304			$167,275

Major changes in the Port's budget are as follows:

Expenditure	FY 2000-01 BUDGET	FY 2001-02 Budget	Increase/ (Decrease)
Permanent Salaries – Misc.	$14,984,325	$16,329,714	$1,345,389
Rents & Leases – Bldgs. & Structures	0	2,558,600	2,558,600
Rents & Leases – Equipment	542,870	102,287	(440,583)
Buildings, Structures & Improvements	7,570,252	32,872,342	25,302,090
Debt Service	9,089,466	15,707,546	6,618,080
Services of Other Departments	5,203,212	7,263,914	2,060,702
Total	$37,390,125	$74,834,403	$37,444,278

Department: PRT PORT (continued)

DEPARTMENT REVENUES

Department revenues have increased by $38,076,476 or 74.59 percent, from $51,045,159 in FY 2000-01 to $89,121,635 in FY 2001-02. Major revenue changes are as follows:

Revenue Source	FY 2000-01 Budget	FY 2001-02 Budget	Increase
Rent Parking	$4,389,000	$4,650,000	$261,000
Permits	200,000	775,000	575,000
Percentage Rentals	11,027,000	11,745,000	718,000
Commercial Rentals	16,867,000	19,333,000	2,466,000
Fund Balance	6.668.247	40.098.735	33.430.488
Total	$39,151,247	$76,604,735	$37,453,488

The Port's Fund Balance sum of $40,098,735 includes projected income from Muni in the amount of $25.7 million for the 17 acre parcel at the Western Pacific Site adjacent to Pier 80, at the foot of Ceasar Chavez Street, which will be used by Muni as a maintenance and storage yard, and $4 million from the State Transportation Improvement Program for the Illinois Street Bridge Project. The Illinois Street Bridge will provide direct rail and truck connections between Pier 80 and Pier 94-96 and will maintain rail service to the Port's marine terminals, which will be eliminated by the Mission Bay Project.

DESCRIPTION

1. Board of Supervisors approved a 50-year lease between AMB Property Corporation and the Port of San Francisco for the development of Pier 1 as a maritime office project in April of 1999, with AMB as the lessee and the Port as the lessor. Under the terms of the ground lease, the rent payment will be adjusted in September of 2001 when the construction of Pier 1 is complete based on total construction costs and historic tax credits. According to Ms. Stephanie Downs of the Port, in FY 2001-02, the Port anticipates it will receive from AMB monthly rent in the amount of $112,664, or $1,351,968 annually, including the adjustment for construction costs and historic tax credits.

   The subject lease included a sublease for a portion of Pier 1, with AMB as the sublessor and the Port as the sublessee, to provide office space for the Port. During FY 2001-02, the Port will pay to AMB $153,052 per month in rent, for a total annual rent of $1,836,624. In addition to rent, the Port is amortizing tenant improvements over 15 years with a monthly payment of $13,305.91, or annual payment of $159,671. The total amount paid to AMB by the Port in FY 2001-02 will total approximately $1,996,295.

Department: PRT PORT (continued)

2. The Port has included $32,000 in its FY 2001-02 budget for ten season tickets, which is the same amount that the Port budgeted for the ten tickets in its FY 2000-01 budget. However, according to Mr. Ben Kutnick, Financial Director of the Port, the cost for the ten tickets in FY 2001-02 will be approximately $35,000. The additional $3,000 will be taken from the Entertainment and Promotions budget according to Mr. Kutnick. Except for the aforementioned ten season tickets, the Port had no specific authorization in its FY 2000-01 budget to pay for expenses related to the Giants baseball games and had no specific authorization from the Board of Supervisors to purchase a luxury box suite at Pacific Bell Park. However, on March 16, 2001, a Luxury Suite License Agreement was executed between the Port and the China Basin Ballpark Company (the San Francisco Giants). The Port paid $186,950 under a three-year commitment to the China Basin Ballpark Company, including $120,000 to acquire the Luxury Suite and $66,950 to purchase the 12 season tickets and four guest passes that accompany the Luxury Suite for the 2001 baseball season. The Port charged the $186,950 to the Port's FY 2000-01 budget for Entertainment and Promotion and other budget accounts. According to Mr. Ben Kutnick, it was the Port Commission's intention to share the Luxury Suite with the Mayor's Office for business development purposes. However, the Mayor's Office subsequently informed the Port that they would not be using the suite. As a result, the Port decided to sell the Luxury Suite.

   The China Basin Ballpark Company has offered to assist the Port in selling the Luxury Suite tickets on a game-by-game basis until the China Basin Ballpark Company and/or the Port can find a permanent buyer for the Luxury Suite and its accompanying 12 season tickets and four guest passes. The China Basin Ballpark Company makes monthly payments to the Port based on $797.02 for each home baseball game or a total of $66,950 ($797.02 x 84 = $66,905) to be paid to the China Basin Ballpark Company for the 12 season tickets and four guest passes based on 84 home Giants games, regardless of whether the Luxury Suite is sold for the full value to other users for that particular home game, until a buyer is found to purchase the $120,000 Luxury Suite and the accompanying 12 season tickets and four guest passes. To date, the Port has received $14,346.36 from the China Basin Ballpark Company for the 18 Giants home games in April and anticipates receiving by the end of June 2001 an additional $11,158.28 for the 14 Giants home games in May. According to Mr. Kutnick, the Port anticipates that the Luxury Suite will be sold for the full $120,000 cost that the Port incurred for the Luxury Suite. However, the Budget Analyst notes that there are no assurances that such a sale will be made. The future buyer of the Luxury Suite and the 12 season tickets and four guest passes would relieve the Port of any future year ticket commitments related to the Luxury Suite. As of the writing of this report, neither the Port nor the China Basin Ballpark Company has identified a buyer since April of 2001 to purchase the Port's Luxury Suite and the accompanying 12 season tickets and four guest passes.

   As noted above, in addition to the subject Luxury Suite and its accompanying 12 tickets and four guest passes which were not included in the Port's FY 2000-01 budget, the Port's FY 2000-01 budget did include $32,000 for ten season tickets not located in the Luxury Suite. The request for the ten season tickets was the one request that accompanied the FY 2000-01 budget explanation

Department: PRT PORT (continued)

regarding baseball tickets. As previously stated, the Port has again included $32,000 in its FY 2001-02 budget for ten season tickets but the estimated cost is $35,000.

3. The Port reports that its outstanding debt as of July 1, 2001, will be $40,795,000. According to Mr. Kutnick, the Department intends to retire its revenue bonds in the amount of $34,095,000 by July of 2009, retire its General Obligation bonds in the amount of $3,200,000 by June of 2005, and retire its Hyde Street Harbor Loan in the amount of $3,500,000 by 2028.

4. Officially opened in June of 2001, the Hyde Street Fishing Harbor was designed to revitalize commercial fishing at Fisherman's Wharf. The Hyde Street Fishing Harbor includes a new 62-berth marina at Hyde Street Harbor, an accessible gangway, floating walkways, new bathrooms, storage facilities, and waste disposal facilities.

COMMENT

The Mayor's budget provides an increase of $38,076,476. Our recommended reductions, which total $665,383 would still allow an increase of $37,411,093 or 73.3% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: PRT Port

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
Finance and Administration - BKO								
1465	001	Permanent Salaries - Misc.				$3,972,164	$3,919,977	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1504	001	Senior Administrative Analyst	1823N	0.75	0	52,187	0	$52,1
		To eliminate one new position not sufficiently justified.						
1465	011	Overtime				23,313	17,500	5,81
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02. The Port has a proposed FY 2001 02 Overtime budget of $417,889 for all of its divisions, or $36,349 more than its FY 2000-01 budget of $381,540.						
1465	013	Mandatory Fringe Benefits				1,545,738	1,533,168	12,57
		Corresponds to the reduction in salaries.						
1465	021	Travel				77,815	67,000	10,8
		Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02. The Port has a proposed FY 2001-02 Travel budget of $131,858 for all of its divisions, or $23,768 more than its FY 2000-01 budget of $108,090.						
1465	022	Training				125,000	115,000	10,0
		Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: PRT Port

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
465	025	Entertainment and Promotion				$159,500	$100,000	$59,500
		To reduce funding for Entertainment and Promotion commensurate with the Department's ability to shift funds into this category ($129,313*), as demonstrated with the San Francisco Giants Luxury Box lease. The Port has a proposed FY 2001-02 Entertainment and Promotion budget of $373,200 for all of its divisions, compared to a budget of $341,700 in FY 2000-01. *The Luxury Suite acquisition price was $120,000 and the tickets for the 2001 season cost $66,950 for a total of $186,950. According to Mr. Ben Kutnick of the Port, the Port intended to sell six of the seats, which would have partially offset the cost of the luxury suite. According to Mr. Kutnick, the face value of the six seats, including the license and tickets, is $57,637, resulting in a net cost to the Port of $129,313.						
155	027	Professional and Specialized Services				550,000	525,000	25,000
		Reduce to FY 2000-01 budget level adjusted by a cost of living factor for FY 2001-02.						
155	040	Materials and Supplies				440,233	405,000	35,233
		Reduce to FY 2000-01 budget level adjusted by a cost of living factor for FY 2001-02.						
[illegible]5	060	Equipment Purchase				654,500	604,500	*
		The recommended reduction in equipment is the total of the following specific recommendations.						
50	060	Equipment Not Detailed	06000			0	(50,000)	50,000
		To reduce the Equipment budget commensurate with the minimum essential for effective operations.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: PRT Port

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
Maritime - BKD								
1463	025	Entertainment and Promotion				$193,500	$123,687	$69,813
		To reduce funding for Entertainment and Promotion commensurate with the Department's ability to shift funds into this category ($129,313), as demonstrated with the San Francisco Giants Luxury Box lease. The Port has a proposed FY 2001-02 Entertainment and Promotion budget of $373,200 for all of its divisions, compared to a budget of $341,700 in FY 2000-01.						
Real Estate & Asset Management - BKZ								
1500	001	Permanent Salaries - Misc.				1,521,433	1,448,902	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1513	001	Asst. Rental Manager, Port of San Francisco	9395A	7.00	6.00	507,723	435,192	72,531
		To eliminate a position that has been vacant since April of 2000. The reduction will still leave the Port with 6 Assistant Rental Manager positions.						
1500	005	Temporary Salaries				8,303	0	8,303
		To reflect that expenditures for Temporary Salaries have not increased for the past two years. The Port will still have $352,684 for Temporary Salaries for all of its divisions, an increase of $91,268 over FY 2000-01.						
1500	009	Premium Pay				12,143	6,000	6,143
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.						

partment: PRT Port

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
00	013	Mandatory Fringe Benefits Corresponds to the reduction in salaries.				$354,274	$336,112	$18,162
00	021	Travel Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02. The Port has a proposed FY 2001-02 Travel budget of $131,858 for all of its divisions, or $23,768 more than its FY 2000-01 budget of $108,090.				7,000	4,500	2,500
ning & Development - BKW								
57	009	Premium Pay Reduce to actual 2000-01 expenditure level adjusted for changes in personnel eligible for premium pay in 2001-02.				15,747	12,747	3,000
7	011	Overtime Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02. The Port has a proposed FY 2001-02 Overtime budget of $417,889 for all of its divisions, or $36,349 more than its FY 2000-01 budget of $381,540.				4,376	2,000	2,376
47	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				280,358	279,953	405
47	027	Professional and Specialized Services Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				28,800	20,000	8,800

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: PRT Port

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Facilities & Operations - BKY								
1469	001	Permanent Salaries - Misc.				$8,723,224	$8,679,644	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1509	001	Stationary Engineer	7334N	0.75	0.00	43,580	0	$43,58
		To delete one new position request not sufficiently justified.						
1469	011	Overtime				386,842	361,000	25,842
		To reduce the Overtime allocation in consideration of the large increase in new positions and a $99,571 increase in Temporary Salaries. The Port has a proposed FY 2001-02 Overtime budget of $417,889 for all of its divisions, or $36,349 more than its FY 2000-01 budget of $381,540.						
1469	013	Mandatory Fringe Benefits				2,148,110	2,135,300	12,81
		Corresponds to reduction in Permanent Salaries - Misc.						
1469	027	Professional and Specialized Services				45,000	35,000	10,00
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.						
1469	028	Maintenance Services - Buildings and Structures				341,252	316,252	25,000
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: PRT Port

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
469	029	Maintenance Services - Equipment				$201,367	$181,367	$20,000
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.						
469	040	Materials and Supplies				1,658,740	1,583,740	75,000
		Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02.						
		Total Recommended Reductions						**$665,383**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: PTC PARKING & TRAFFIC COMMISSION

FINANCIAL DATA:

The Department of Parking & Traffic's proposed $62,374,959 budget for FY 2001-02 is $2,687,478 or 4.13 percent less than the original FY 2000-01 budget of $65,062,437. The net decrease from the revised FY 2000-01 budget is $2,780,727 or 4.27 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
DEPARTMENTAL ADMINISTRATION	$ 3,756,371	$ 3,779,636	$ 3,835,729	$ 79,358
ENFORCEMENT	25,801,661	25,864,634	26,651,143	849,482
PARKING	6,681,358	6,708,093	6,762,732	81,374
PARKING CITATION DIVISION	10,313,867	10,250,894	10,533,783	219,916
RESIDENTIAL PERMIT PARKING	871,889	871,889	932,981	61,092
TRAFFIC ENGINEERING & OPERATION	10,350,868	10,312,633	10,883,304	532,436
Total Operating Expenditures	$ 57,776,014	$ 57,787,779	$ 59,599,672	$ 1,823,658
Capital Improvements & Fac. Maint.	$ 7,286,423	$ 7,367,907	$ 2,775,287	$ (4,511,136)
Total Expenditures	$ 65,062,437	$ 65,155,686	$ 62,374,959	$ (2,687,478)
Less: Work Order Recoveries	(198,000)	(198,000)	(259,500)	(61,500)
Net Expenditures	$ 64,864,437	$ 64,957,686	$ 62,115,459	$ (2,748,978)

Department: PTC PARKING & TRAFFIC COMMISSION (continued)

Major new expenditure changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Expenditure		FY 2000-01 Budget	FY 2001-02 Budget	Increase (Decrease)
Permanent Salaries		$23,640,801	$24,780,489	$1,139,688
Overtime		783,691	898,691	115,000
Mandatory Fringe Benefits		6,688,330	7,030,624	342,294
Overhead		267,626	318,776	51,150
Professional & Specialized Services		10,156,585	10,096,720	(59,865)
Maintenance - Buildings & Structures		141,694	155,193	13,499
Rents & Leases - Buildings		2,279,616	2,321,286	41,670
Other Current Expenses		337,576	395,043	57,467
Materials & Supplies		1,313,806	1,364,135	50,329
Equipment Purchase		1,369,725	736,766	(632,959)
Buildings, Structures & Improvements		7,016,423	2,505,287	(4,511,136)
Services of Other Departments		6,237,633	6,955,121	717,488
Miscellaneous Other Changes		4,828,931	4,816,828	(12,103)
	Total:	$65,062,437	$62,374,959	($2,687,478)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 545.19 FTEs, which is 2.01 FTEs less than the 547.20 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Full Time Equivalents	Original	Revised	2001-2002	Original Budget
DEPARTMENTAL ADMINISTRATION	27.35	27.35	26.39	(0.96)
ENFORCEMENT	361.65	361.65	358.87	(2.78)
PARKING	35.30	35.30	34.85	(0.45)
PARKING CITATION DIVISION	45.52	45.52	48.02	2.50
RESIDENTIAL PERMIT PARKING	12.53	12.53	13.49	0.96
TRAFFIC ENGINEERING & OPERATION	64.85	64.85	63.57	(1.28)
Totals	547.20	547.20	545.19	(2.01)

Department: PTC PARKING & TRAFFIC COMMISSION (continued)

The Department's budget contains no new positions.

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Exempt	1	1377	Special Assistant XVIII	$116,119	0941	Manager X	$120,746
Exempt	1	1374	Special Assistant XV	93,281	0952	Deputy Director II	96,998
Exempt	1	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	1	1372	Special Assistant XIII	80,571	0922	Manager V	83,781
Exempt	1	1369	Special Assistant X	65,615	1844	Senior Management Assistant	67,903
Totals	5			$436,157			$453,209

Remaining Special Assistant Positions

Exempt / Provisional	Count	Old Class	Title	Salary
Exempt	1	1371	Special Assistant XII	75,951
Totals	1			$ 75,951

According to Ms. Julia Dawson of the Parking and Traffic Department, the Department anticipates that it will reclassify the 1377 Special Assistant XVIII position shown in the table above to a 0932 Manager VIII position instead of a 0941 Manager X position, which is the proposed reclassification contained in the Mayor's proposed budget. That new reclassification would result in a salary savings of $20,418 plus fringes. The proposed reclassification is shown in the Budget Analyst's recommendations.

Ms. Dawson advises that the Department intends to reclassify the 1374 Special Assistant XV position shown in the table above to a 0931 Manager VII position instead of a 0952 Deputy Director II position, which is the proposed reclassification contained in the Mayor's proposed budget. The new classification of 0931 Manager VII would have the same salary as a 0952 Deputy Director II.

Ms. Dawson also reports that the Department intends to reclassify the 1371 Special Assistant XII position, shown in the table above as a remaining Special Assistant position, to a 1844 Senior

Department: PTC PARKING & TRAFFIC COMMISSION (continued)

Management Assistant. This new reclassification results in a salary savings of $8,048 plus fringes. That proposed reclassification is also shown in the Budget Analyst's recommendations.

DEPARTMENT REVENUES

Department revenues have decreased by $7,313,008 or 22.10 percent, due primarily to a one-time $6,505,183 sale of North Beach Parking Garage Bonds in FY 2000-01 and a reduction of $1,658,232 in State grant funding. Excluding such one-time Bond sales and reduction in State grant funding, the Department's revenues are increasing by $850,498, or 3.41 percent. General Fund support has increased by $5,034,935 or 15.30 percent. Ms. Dawson advises that the $5,034,935 increase in General Fund support includes $2,004,875 to equip traffic signals with back-up power supplies for use during power outages, $1,658,232 to cover the reduction in State grant funding, discussed above, to help fund the Department's annual debt service ($2,023,376) for the 1994 construction of the San Francisco General Hospital Parking Garage, and $1,371,828 to fund the first full year of Salary and Mandatory Fringe Benefits for 27 new positions added in FY 2000-01.

DESCRIPTION

1. The Department's FY 2001-02 budget for Overtime in the Enforcement Program is increasing by $115,000, from $483,416 in FY 2000-01 to $598,416 in FY 2001-02. This increase will cover the cost of a pilot program to enforce nighttime parking violations in District 3, the North Beach area. Two teams of two 8214 Parking Control Officers, overseen by one 8216 Senior Parking Control Officer, will patrol District 3 between the hours of 7:30 p.m. and 2:30 a.m. on Friday and Saturday nights from July 1, 2001 through June 30, 2002.

2. According to Ms. Dawson, in September of 2001, the Department anticipates requesting the approval of the Board of Supervisors to enter into a professional services contract to replace all of the mechanical parking meters in the City with electronic meters that will accept nickels, dimes, quarters, and card payments using the Translink card currently being used under a pilot program by Muni. Ms. Dawson reports that the cost of this professional services contract is not reflected in the Department's FY 2001-02 budget. According to Ms. Dawson, this project will be funded using revenues from the Off-Street Parking Fund which would require a supplemental appropriation from the Board of Supervisors. According to Mr. Matthew Hymel of the Controller's Office, as of June 19, 2001, the Off-Street Parking Fund has a remaining unappropriated balance of $1,237. This professional services contract would also be funded by the release of $1,600,616 put on reserve during the FY 1998-1999 budget process, pending selection of contractor and submission of budget details.

Department: PTC PARKING & TRAFFIC COMMISSION **(continued)**

COMMENT

Although the Department's overall budget has decreased by $2,687,478, or 4.13 percent, due to reduced spending on Capital and Facilities Maintenance, the operating budget provides an increase of $1,823,658 or 3.16 percent. Our recommended reductions, which total $211,525, would still allow an increase of $1,612,133 or 2.79 percent in the Department's operating budget.

artment: PTC - Parking and Traffic Commission

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		artmental Administration (BKF)						
40	001	Permanent Salaries -				$1,642,553	$1,622,135	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
0	001	Manager X	0941	1.00	0.00	120,746	0	$120,746
	001	Manager VIII	0932	0.00	1.00	0	100,328	(100,328)
		Reduce to reclassify a Special Assistant XVIII position to a Manager VIII instead of a Manager X position, in accordance with the Department's intent. This downward reclassification of the Special Assistant XVIII position results in a salary savings of $20,418 ($120,746 less $100,328).						
5)	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				418,917	417,116	1,801
5)	022	Training Reduce to actual FY 2000-01 expenditure level adjusted by a cost of living factor for FY 2001-02.				15,000	10,000	5,000
		raffic Engineering & Operation (BKG)						
54	023	Employee Field Expense Reduce to actual FY 2000-01 expenditure level adjusted by a cost of living factor for FY 2001-02.				1,588	1,088	500

Department: PTC - Parking and Traffic Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1549	040	Materials and Supplies Budget				$788,825	$783,875	$4,90
		Reduce by the annual cost of $4,950 of manually printing parking meter signs in the Department's meter shop, since the Department plans to automate this function by purchasing equipment at a cost of $35,000. This new equipment has an anticipated useful life of ten years.						
1549	060	Equipment Purchase				187,996	179,915	*
		* The recommended reduction in equipment is the total of the following specific recommendations.						
1583	060	1/2 Ton Truck	PTO22R			70,000	67,332	2,66
		Reduce by $2,668 based on the manufacturer's quoted price.						
1583	060	1 Ton Truck	PTO23R			52,000	47,197	4,80
		Reduce by $4,803 based on the manufacturer's quoted price.						
1583	060	3/4 Ton Truck	PTO24R			25,000	24,390	61
		Reduce by $610 based on the manufacturer's quoted price.						
Parking (BKP)								
1562	001	Permanent Salaries - Misc.				1,953,295	1,918,419	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
1576	001	Attrition Savings	9993M	(2.15)	(2.77)	(120,672)	(155,548)	34,87
		Increase Attrition Savings to actual FY 2000-01 expenditure level adjusted for salary increases.						
1562	013	Mandatory Fringe Benefits				502,996	494,214	8,78
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: PTC - Parking and Traffic Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1563	028	Building Structure and Maintenance Reduce expenses to the minimum essential for effective operations.				$85,000	$70,000	$15,000
nforcement (BKQ)								
1565	001	Permanent Salaries - * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.				14,675,249	14,647,183	*
1578	001	Attrition Savings Increase Attrition Savings to offset the effect of the Department's upward substitution of four positions, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.	9993M	(47.20)	(47.86)	(2,011,704)	(2,039,770)	28,066
565	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				4,368,976	4,360,988	7,988
565	035	Other Current Expenses To disapprove the purchase of one of two new photocopiers at a cost of $1,380. Our reduction of $1,380 would still allow an increase of $20,208 from the Department's FY 2000-01 budget level.				123,388	122,008	1,380
565	040	Materials & Supplies Budget Reduce to FY 2000-01 budget level adjusted by a cost of living factor for FY 2001-02.				299,325	284,325	15,000
1565	060	Equipment * The recommended reduction in equipment is the total of the following specific recommendations.				482,800	469,325	*

Department: PTC - Parking and Traffic Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1585	060	Radios	PTO20R			$25,000	$11,525	$13,4
		Reduce by $13,475 based on manufacturer's quoted price.						

Residential Permit Parking (BKR)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1567	001	Permanent Salaries - Misc.				601,072	566,036	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations .						
1579	001	Special Assistant XII	1371	1.00	0.00	75,951	0	75,951
	001	Senior Management Assistant	1844	0.00	1.00	0	67,903	(67,9
		Reduce to reclassify a Special Assistant XII position to a Senior Management Assistant position, in accordance with the Department's intent. This downward reclassification results in a salary savings of $8,048 ($75,951 less $67,903).						
1579	001	Attrition Savings	9993M	(0.51)	(1.11)	(22,932)	(49,920)	26,9
		Increase Attrition Savings to actual FY 2000-01 expenditure level adjusted for salary increase.						
1567	013	Mandatory Fringe Benefits				171,193	162,498	8,6
		Corresponds to reduction in salaries.						

Parking Citation Division (BKS)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1568	028	Maintenance Services - Building and Structures				38,477	36,000	2,47
		Reduce to FY 2000-01 budget level adjusted by a cost of living factor for FY 2001-02.						
		Total Recommended Reductions						$211,52

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION

FINANCIAL DATA:

The Department of Public Utilities Commission's proposed $82,414,103 budget for FY 2001-02 is $120,980 or 0.15 percent more than the original FY 2000-01 budget of $82,293,123. The net increase from the revised FY 2000-01 budget is $21,217,921 or 34.67 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 2000-2001
Program Expenditures	Original	Revised	2001-2002	Original Budget
CUSTOMER SERVICES	$ 9,476,057	$ 9,456,638	$ 9,514,623	$ 38,566
ENVIRONMENTAL REGULATION & MANAGEMENT	5,679,049	782,976	5,718,495	39,446
HETCH HETCHY CAPITAL PROJECTS	-	(1,345,522)	-	-
PUC ENGINEERING	22,819,779	21,055,035	22,665,729	(154,050)
PUC FINANCE	4,748,472	4,740,998	5,499,979	751,507
PUC GENERAL MANAGEMENT	8,444,745	6,314,523	9,360,178	915,433
PUC LAND MANAGEMENT	998,358	-	983,297	(15,061)
PUC MANAGEMENT INFORMATION	8,520,958	8,528,877	8,169,845	(351,113)
PUC PERSONNEL	3,729,455	3,792,355	3,733,621	4,166
PUC SYSTEM PLANNING/REG CONTROL	2,040,874	2,040,874	1,897,458	(143,416)
PUC-LONG RANGE PLANNING &	-	-	788,007	788,007
WATER CAPITAL PROJECTS	-	(76,548,245)	-	-
WATER FACILITIES MAINTENANCE PROJECTS	-	-	-	-
WATER POLLUTION CONTROL	-	(420,571)	-	-
WATER PROGRAMMATIC PROJECTS	2,059,000	2,059,000	-	(2,059,000)
WATER QUALITY	13,776,376	2,424,906	14,082,871	306,495
Total Operating Expenditures	$ 82,293,123	$ 61,196,182	$ 82,414,103	$ 120,980
Capital Improvements & Fac. Maint.	$ -	$	$ -	$ -
Total Expenditures	$ 82,293,123	$ 61,196,182	$ 82,414,103	$ 120,980
Less: Work Order Recoveries	(82,293,123)	(61,196,182)	(82,414,103)	(120,980)
Net Expenditures	$ 0	$ 0	$ 0	$ 0

Department: PUC PUBLIC UTILITIES COMMISSION (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 442.43 FTEs, which is 12.93 FTEs more than the 429.50 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-1999 Original	Fiscal Year 2000-1999 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
CUSTOMER SERVICES	100.94	100.94	97.24	(3.70)
ENVIRONMENTAL REGULATION AND MANAGEMENT	45.26	45.26	43.60	(1.66)
PUC ENGINEERING	(6.75)	(6.75)	(7.75)	(1.00)
PUC FINANCE	42.67	42.67	45.42	2.75
PUC GENERAL MANAGEMENT	12.10	12.10	21.90	9.80
PUC LAND MANAGEMENT	6.87	6.87	7.62	0.75
PUC MANAGEMENT INFORMATION	59.02	59.02	60.85	1.83
PUC PERSONNEL	41.13	41.13	40.63	(0.50)
PUC SYSTEM PLANNING/REGULATORY CONTROL	15.15	15.15	14.37	(0.78)
PUC-LONG RANGE PLANNING & POLICY	-	-	6.01	6.01
WATER QUALITY	113.11	113.11	112.54	(0.57)
Totals	429.50	429.50	442.43	12.93

Department: PUC PUBLIC UTILITIES COMMISSION (continued)

The PUC's budget contains a total of 15 new positions (9.75 FTE) budgeted for FY 2001-2002. The PUC's proposed new positions are as follows:

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries
Deputy Director IV	0954	0.75	137,383	1	$137,383
Deputy Director V	0955	0.75	146,475	1	146,475
Executive Secretary I	1450	0.75	54,533	1	54,533
Senior Administrative Analyst	1823	3.00	69,583	4	278,331
Principal Administrative Analyst	1824	0.75	81,353	1	81,353
Real Property Officer	4140	0.75	68,225	1	68,225
Senior Water Services Clerk	1478	2.00	42,379	4	169,516
Commercial Division Assistant Supervisor	4310	0.50	59,352	1	59,352
Customer Service Billing & Collection Supervisor	4311	0.50	74,306	1	74,306
Total:		9.75		15	$1,069,474

We are recommending approval of seven of the 15 new positions, including the four Senior Water Services Clerk positions, one Commercial Division Assistant Supervisor, and one Customer Service Billing & Collection Supervisor in the Customer Services Bureau that will be used to establish a centralized customer contact center that will help the various utility customers with problems and questions relating to water and sewer services. We are also recommending approval of one new Real Property Officer position in the Land Management Bureau to meet the increasing property management and leasing needs of the Bureau, including implementing new procedures for addressing right-of-way encroachment policies. We are recommending disapproval of a new Deputy Director IV position at an annual salary of $137,383 being requested in the Office of the General Manager to "provide oversight to the multi-year program management function, which concentrates on the design and construction of new facilities and the maintenance and rehabilitation of existing structures . . .." We regard that function as being a Utilities Engineering Bureau responsibility.

According to PUC staff, the remaining seven new positions were added to the PUC's budget by the Mayor's Office as an initiative to develop a plan to encourage conservation and to ensure the long-term reliability of the San Francisco energy supply. The positions would be established within a newly created Long Range Planning & Policy Office. The Office would be headed by one classification 0955N, Deputy Director V at an annual salary of $146,475, who would have the title of Assistant General Manager of the Public Utilities Commission for Power Policy. In addition, the budget for the Long

Department: PUC PUBLIC UTILITIES COMMISSION (continued)

Range Planning & Policy Office also includes four Senior Administrative Analyst positions, one Principal Administrative Analyst position, and one Executive Secretary I position. The Budget Analyst is recommending that two of the Senior Administrative Analyst positions be eliminated. The Budget Analyst considers approval of the five remaining new positions and costs, including Mandatory Fringe Benefits of $88,926, Professional Services of $250,000, and Materials & Supplies of $75,000 which total $788,007, to be a policy matter for the Board of Supervisors.

In summary, of the 15 requested new positions, we are recommending approval of seven positions and disapproval of three positions, and we consider the remaining five positions to be a policy matter for the Board of Supervisors.

The PUC is proposing to reclassify the following Special Assistant position:

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	1.00	1377	Special Assistant XVIII	$116,119	5162	Program Manager III	$117,450
Provisional	2.00	1377	Special Assistant XVIII	116,119	0941	Manager X	120,746
Total	3.00			$232,238			$238,196

DEPARTMENT REVENUES

The Public Utilities Commission is funded solely through transfers from its operating departments, including the Water, Clean Water, Hetch Hetchy, and Light, Heat & Power Departments.

DESCRIPTION

The Public Utilities Commission (PUC) is comprised of 11 bureaus that provide administrative and technical support to four operating departments: the Water Department, Hetch Hetchy, Clean Water Program, and Light, Heat & Power. The budgets of the Bureaus of the PUC are funded through allocations from each of the four operating departments.

COMMENTS

The PUC's Information Technology Services (ITS) Bureau was allocated an additional 16.33 FTE in the FY 2000-01 budget. The ITS Manager states that the support for desktop personal computers and the PUC Network have improved dramatically. ITS is also in the process of developing new systems, such as a document management system that is scheduled to be implemented in January of 2002. The Budget

Department: PUC PUBLIC UTILITIES COMMISSION **(continued)**

Analyst has requested that ITS provide a report to the Board of Supervisors on improvements and benefits of its initiatives during the FY 2001-02 Budget process.

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Environmental Regulation and Management (BAY)								
1590	021	Travel Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02. The PUC's total FY 2001-02 Travel budget request for all divisions is $203,575 or $17,940 more than its FY 2000-01 Travel budget of $185,635. Our recommendation for Travel would provide total Travel funds in the PUC of $188,625.				$27,100	$20,000	$7,1
1590	022	Training Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				15,270	12,000	3,27
1590	043	Equipment Maintenance Supplies Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				60,000	52,000	8,00
Water Quality (BCD)								
1594	029	Maintenance Services - Equipment Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				224,167	180,000	44,16

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

partment: PUC - Public Utilities Commission

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
eral Management (BCR)								
9	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$1,667,503	$1,483,112	*
5	001	Deputy Director IV To delete one new Deputy Director position at an annualized salary of $137,383 not sufficiently justified. This position would be created to oversee the design and construction of new facilities and the maintenance and rehabilitation of existing PUC structures. These functions are the responsibility of the Utilities Engineering Bureau, Presently, the PUC has three comparably compensated Assistant General Managers.	0954N	0.75	0.00	103,037	0	$103,037
9	001	Principal Administrative Analyst To delete a position that would be substituted for a Power Generation Site Supervisor which has not been adequately justified. The PUC presently has 9 Senior Analyst positions, and 12 Principal Administrative Analyst positions.	1824S	1.00	0.00	81,354	0	81,354

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: PUC - Public Utilities Commission

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
1659	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				$422,668	$386,432	$36,23
1660	049	Other Materials & Supplies Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				125,565	85,000	40,56
Finance (BCT)								
1662	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				3,115,987	3,071,043	*
1699	001	Senior Admin. Analyst	1823S	1.00	0.00	44,944	0	44,944
		Sr. Admin. Analyst To deny the conversion of this project-funded position in the PUC's Finance Bureau to an operating budget position. Continue to fund the position with commercial paper or other non-operating budget means.	1823O	0.00	1.00	0	67,260	(67,26
1700	001	Non-Operating Position Offset Corresponds to the increase in non-operating position salaries.	9997M	(0.58)	(1.45)	(44,709)	(111,969)	67,26
1662	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				832,496	820,029	12,467

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

artment: PUC - Public Utilities Commission

ge .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2	021	Travel Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02. The PUC's total FY 2001-02 Travel budget request for all divisions is $203,575 or $17,940 more than its FY 2000-01 Travel budget of $185,635. Our recommendation for Travel would provide total Travel funds in the PUC of $188,625.				$24,850	$17,000	$7,850
2	022	Training Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				39,400	27,500	11,900
6	027	Professional & Specialized Services * Reserve $300,000 of the $817,609 for a $300,000 study to "improve upon the utilization and reliability of SFPUC's financial information system," pending selection of the contractor and submission to the Board of Supervisors of hours, and hourly rates.				817,609	817,609*	
g eering (BCU)								
76	022	Training Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-02.				60,000	50,000	10,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
1676	035	Other Current Expenses Reduce to 2000-01 budget level adjusted by a cost of living factor for 2001-02.				$226,000	$200,000	$26,00
Personnel (BCW)								
1680	022	Training Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.				42,370	35,000	7,37
Long Range Planning & Policy (BCX)								
1681	001	Permanent Salaries - Misc. *The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				374,081	269,707	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

partment: PUC - Public Utilities Commission

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
10	001	Senior Administrative Analyst To delete two -new positions requested for the new Long-Range Planning and Policy Office. This new office is being established to develop a plan to encourage energy conservation and to ensure the long-term reliability of the San Francisco energy supply. The Budget Analyst considers the approval of five of the seven requested new positions, including two Senior Administrative Analysts, one Deputy Director V, one Executive Secretary I, and one Principal Administrative Analyst, to be a policy matter for the Board of Supervisors.	1823N	3.00	1.50	$208,748	$104,374	$104,374
131	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				88,926	64,675	24,251
110	001	Step Adjustments, Misc.	STEPM	1.00	1.00	(30,000)	(30,000)	
110	001	Deputy Director V	0955N	0.75	0.75	109,856	109,856	
110	001	Executive Secretary I	1450N	0.75	0.75	40,000	40,000	
110	001	Sr. Administrative Analyst	1823N	1.50	1.50	104,374	104,374	
110	001	Princ. Admin. Analyst	1824N	0.75	0.75	61,015	61,015	
110	001	Attrition Savings - Misc.	9991M	0.00	0.00	(1,438)	(1,438)	
110	001	Attrition Savings - Misc.	9993M	0.24	0.24	(15,000)	(15,000)	

* See note below.

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1681	013	Mandatory Fringe Benefits * See note below.				$64,675	$64,675	
1681	027	Professional & Spec. Svcs. * See note below.				250,000	250,000	
1681	040	Materials & Supplies * See note below.				75,000	75,000	

*The Long-Range Planning & Policy Office was added to the PUC's budget by the Mayor's Office to develop a plan to encourage conservation and to ensure the long-term reliability of the San Francisco energy supply. The total budget request is for $788,007.

The Budget Analyst recommends that the two classification 1823 Senior Administrative Analyst positions be eliminated and considers approval of the remaining resource requests for the Mayor's initiative to be a policy matter for the Board of Supervisors.

Total Recommended Reductions $572,885

DEPARTMENT: TIS TELECOMMUNICATION & INFORMATIION SERVICES

FINANCIAL DATA:

The Department of Telecommunication & Information Services' proposed $77,658,001 budget for FY 2001-02 is $6,593,250 or 9.28 percent more than the original FY 2000-01 budget of $71,064,751. The net increase from the revised FY 2000-01 budget is $6,234,464 or 8.73 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	$ 20,239,393	$ 21,261,993	$ 22,923,296	$ 2,683,903
CABLE TELEVISION ACCESS	130,000	130,000	-	(130,000)
OPERATIONS & INFRASTRUCTURE	28,691,729	24,748,061	28,721,007	29,278
POLICY & PLANNING	2,866,968	3,047,717	2,564,208	(302,760)
TECHNOLOGY SERVICES	18,136,661	21,200,844	22,102,490	3,965,829
Total Operating Expenditures	$ 70,064,751	$ 70,388,615	$ 76,311,001	$ 6,246,250
Capital Improvements & Fac. Maint.	$ 1,000,000	$ 1,034,922	$ 1,347,000	$ 347,000
Total Expenditures	$ 71,064,751	$ 71,423,537	$ 77,658,001	$ 6,593,250
Less: Work Order Recoveries	(67,100,783)	(67,278,821)	(73,710,357)	(6,609,574)
Net Expenditures	$ 3,963,968	$ 4,144,716	$ 3,947,644	$ (16,324)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 335.16 FTEs, which is 16.85 FTEs less than the 352.01 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Department: TIS TELECOMMUNICATIONS & INFORMATION SERVICES (continued)

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Increase (Decrease) From 2000-2001 Original Budget
ADMINISTRATION	31.15	31.15	43.55	12.40
OPERATIONS & INFRASTRUCTURE	183.97	183.97	170.90	(13.07)
POLICY & PLANNING	16.73	16.73	15.34	(1.39)
TECHNOLOGY SERVICES	120.16	120.16	105.37	(14.79)
Totals	352.01	352.01	335.16	(16.85)

DEPARTMENT REVENUES

Department revenues have increased by $357,246 or 21.05 percent and General Fund support has increased by $361,922 or 15.60 percent.

DESCRIPTION

During FY 2000-01 the Department reorganized its six divisions into four divisions to improve customer service, streamline operations, increase accountability and promote departmental cohesion. Three of the four divisions – Operations and Infrastructure Division, Technology Services Division and Finance and Administration Division– make up the Internal Services Fund that is supported by work orders from other departments. The fourth division – Policy and Planning Division– includes the City's Television Station, CityWatch, and is funded from the General Fund. The division descriptions are as follows:

Operations and Infrastructure: The Operations and Infrastructure Division designs, manages and supports the City's technology infrastructure, including the City's local area networks (LANs) and wide area network (WAN), the connectivity to Internet and the Intranet. This Division also monitors and supports the E911 System, which includes the Public Safety Wiring System and 800 MHz Radio System 24 hours per day 7 days a week.

Technology Services Division: The Technology Services Division manages and maintains the City's major Information Technology Systems and official website, manages the City's database, designs and implements support systems, manages the City's e-mail project and researches new technologies and provides technology education and training.

Department: TIS TELECOMMUNICATIONS & INFORMATION SERVICES (continued)

Finance and Administration Division: The Finance and Administration Division provides administrative support for DTIS's human resources, budget, accounting, and contracts; provides telephone reception for the City's main information line; develops, implements and manages the Department's safety program; and consolidates and manages telephone billing services Citywide. The Finance and Administration Division centralizes all of the Divisions' finance and administration responsibilities.

Policy and Planning: The Policy and Planning Division negotiates and manages the cable TV franchises; manages an annual contract for the construction, management, and operation of the public access cable television channel; oversees the use of the educational cable TV channel; directly manages and operates the public education and government TV channel, and cablecasts live coverage of Board of Supervisors and commission meetings; reviews and analyzes telecom related legislation; informs and updates policy makers on telecom related issues; and is responsible for development and implementation of a Citywide Strategic Telecommunications Plan.

Departmental Summary: The FY 2001-02 budget reflects the following changes:

Expenditures

- The $6,593,250 increase in total expenditures is primarily due to:

$ 813,824 increase due to salary and fringe benefits costs:

The increase is due to a $883,761 increase in permanent salaries, a $387,029 decrease in temporary salaries, a $93,290 increase in premium pay, a $12,000 increase in overtime, a $52,275 increase in Holiday Pay due largely to the Emergency 911 services which operate 24 hours per day 7 days per week and a $159,527 increase in fringe benefits.

$ 1,974,129 decrease in Professional & Specialized Services:

The decrease is related primarily to the transfer of annual licensing costs associated with the TIVOLI System, a network management program to remotely manage distributed computer systems, at a cost of $1,230,00 to Other Current Expenses.

$ 1,507,355 increase in Equipment Purchases:

This increase is related to negotiated client department service requests according to the Department. The increase is related almost entirely to two programs:
1) Operations and Infrastructure and 2) Technology Services. For Operations and Infrastructure, the increase in funding will be used to purchase 10 pieces of equipment including telephone infrastructure devices, which will be passed through to the departments for whom DTIS is purchasing the equipment, as well as 20 pieces of equipment that will improve the City's network, increase system capacity and allow DTIS to support and meet the City departments' technology needs. Such costs will be passed on to the City departments DTIS serves through its service

Department: TIS TELECOMMUNICATIONS & INFORMATION SERVICES (continued)

rates. For Technology Services, the increase in funding will be used to purchase equipment for the Citywide E-mail Project and the Criminal JUSTIS project. These costs are also passed along to the appropriate City departments.

$ 287,000 net increase in Equipment Lease / Purchase – City Finance Agency: This increase reflects the financing of the major upgrade to the mainframe computer to maintain the performance of the City's mission critical systems and Wide Area Network infrastructure.

$37,000 increase in Facilities Maintenance to repair DTIS' Rankin Street facility, which is used for repair and maintenance of the City's Radio Systems, Public Safety Wiring and telephone infrastructure. According to Ms. Kathryn Hile, Financial Services Manager of DTIS' Finance and Administration Division, Facilities Maintenance costs had been erroneously deleted from the Department's budget in FY 1999-2000 and the increase would allow the Department to address the previously deferred maintenance at the Rankin Street facility during the past two fiscal years.

$310,000 increase in Buildings, Structures and Improvements to replace the trailer offices located at 901 Rankin Street, which are seismically unsafe.

$905,580 net increase in Rents & Leases – Buildings and Structures due primarily to the extension of the lease for a five-year period at One Market Plaza where the City's mainframe computer is housed.

Personnel: DTIS has a net decrease of 16.85 FTEs due primarily to a decrease of 7.12 FTEs who were transferred to Light Heat and Power for street light maintenance work for a permanent salary savings for FY 2001-02 of $427,362 and an increase in Attrition Savings of approximately 11.36 FTEs. The Department's FY 2001-02 budget includes two new positions, including 0.75 FTE 1823, Senior Administrative Analyst and 0.75 FTE 5177, Safety Officer. The Department's FY 2001-02 budget also includes: (a) 17 FTEs Special Assistant substitutions as shown in the table below, (seven of the Special Assistants substitutions are part of the MEA Management Classification/Compensation Plan); and (b) 63.0 FTEs substitutions in addition to the 17 FTEs Special Assistant substitutions. Of the 63.0 FTEs substitutions, 14.0 FTEs are downward substitutions, 29.0 FTEs are upward substitutions and 21.0 FTEs substitutions are cost neutral. The net increase in Permanent Salaries – Misc. for FY 2001-02 due to these 63.0 FTE substitutions is $249,093. Attrition Savings were increased to offset the increased cost of the proposed substitutions. The Department's overall increase in Permanent Salaries – Misc. is approximately 3 percent.

Department: TIS TELECOMMUNICATIONS & INFORMATION SERVICES (continued)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	2	1363	Special Assistant IV	$ 84,668	1767	Media Programming Specialist	$ 106,932
Provisional	2	1363	Special Assistant IV	84,668	1766	Media Production Technician	91,951
Provisional	2	1362	Special Assistant III	78,822	1766	Media Production Technician	91,951
Provisional	1	1364	Special Assistant V	45,518	1769	Media Production Supervisor	66,466
Provisional	1	1375	Special Assistant XIV	100,328	1775	Cable Television Manager	98,867
Exempt C2	1	1373	Special Assistant XIV	86,652	1071	Information Service Manager	115,675
Exempt	1	1377	Special Assistant XVIII	120,764	0941	Manager X	120,746
Exempt	1	1373	Special Assistant XIV	90,105	0923	Manager VI	90,105
Exempt	2	1372	Special Assistant XIII	167,562	0922	Manager V	167,562
Exempt	1	1376	Special Assistant XVII	112,278	0953	Deputy Director III	120,746
Exempt	1	1377	Special Assistant XVIII	120,764	0953	Deputy Director III	120,746
Exempt	1	1381	Special Assistant XXII	151,615	0963	Department Head III	137,382
Exempt	1	1366	Special Assistant VII	52,435	1368	Special Assistant IX	60,709
Totals	17			$ 1,296,178			$ 1,389,838

Remaining Special Asssistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
Provisional	2	1368	Special Assistant IX	$121,580	Filled
Exempt	1	1368	Special Assistant IX	60,790	Filled
Totals	3			$182,370	

COMMENTS:

1. According to Ms. Hile, DTIS delayed filling vacancies during the Department's reorganization and had difficulty in filling positions due to a tight technology-related labor market over the last two years. To help mitigate these hiring and retention challenges, DTIS has proposed in its FY 2001-02 budget substitutions of many existing positions with higher level positions and seeks final approval from the Board of Supervisors for these substitutions during the FY 2001-02 budget review process. However, Ms. Hile notes that the technology-related labor market has eased up somewhat, which should make filling vacancies easier. Additionally, Ms. Hile states that filling the vacancies is a top priority for FY 2001-02

2. According to Ms. Hile, DTIS has analyzed departmental expenditures for the last 18 months in detail to generate a more realistic FY 2001-02 budget.

Department: TIS TELECOMMUNICATIONS & INFORMATION SERVICES (continued)

3. Ms. Hile advises that beginning in FY 2001-02, DTIS will manage the City's Geographic Information Systems (GIS) program, which was formerly managed by the Department of Public Works.

4. The Budget Analyst is recommending 0.75 of the 1.5 new FTEs.

The Mayor's budget provides an increase of $6,593,250 or 9.28 percent more than the original FY 2000-01 budget. Our recommended reductions, which total $255,913, would still allow an increase of $6,337,337 or 8.92 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

partment: TIS - Telecommunications & Information Services

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		erations and Infrastructure (BAK)						
32	06F	Facilities Maintenance Projects-Budget				$37,000	$23,600	$13,400
		The recommended reduction of $13,400 for facilities maintenance at the DTIS Rankin Street Facility is based on cost estimates of $9,000 to replace the lights, $5,000 for electrical circuit replacement and $9,600 for yard clean up and year-round maintenance. No other cost details were provided.						
732	067	Buildings, Structures & Improvements				310,000	310,000*	0
		* The Mayor's Office has reserved $310,000 designated for the replacement of the trailers used as office space located at 901 Rankin Street pending completion of a site study to determine if a building should be constructed at 901 Rankin Street to house the City's mainframe computer which is currently located at 1 Market Plaza. The new building would also replace the trailer office space. The Budget Analyst recommends reserving $310,000 for the replacement of the trailers pending submission to the Finance Committee of the project details.						
32	001	Permanent Salaries - Misc.				10,976,152	10,949,869	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding specific individual classifications.						
47		Principal Administrative Analyst	1824	2.00	1.00	162,708	81,354	81,354
46		Business Analyst Assistant	1051	0.00	1.00	0	(55,071)	(55,071)
		Disapprove the proposed upward substitution because the Department has not provided adequate justification for this upward substitution although the Department of Human Resources has approved this position. This would result in a savings of $26,283.						

Department: TIS - Telecommunications & Information Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savir
1733	013	Mandatory Fringe Benefits				2,686,140	2,682,165	3
		Corresponds to the reduction in salaries.						

Finance and Administration (BIU)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savir
1739	001	Permanent Salaries - Misc.				2,298,248	2,239,017	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding specific individual classifications.						
1753		Deputy Director III	0953	1.0	0.0	115,020	0	115
		Manager IX	0933	0.0	1.0	0	107,976	(107
		The MEA Management Classification/Compensation Plan was supposed to laterally substitute Special Assistants for Manager and Deputy Director positions. The proposed Deputy Director III was substituted for a 1376 Special Assistant XL. However, a lateral move for a 1376 Special Assistant XL would be a 0933 Manager IX. Reduce Deputy Director III by 1.0 FTE and increase Manager IX by 1.0 FTE to reflect a lateral movement consistent with job duties. This would result in a savings of $7,044.						
1754		Senior Administrative Analyst	1823N	0.75	0.0	52,187	0	52,
		Delete this requested new position because the Finance and Administration program already has 3.0 FTE Senior Administrative Analysts, which includes 1.0 FTE that was reassigned to the program in the FY 2001-02 budget and is currently vacant. The vacant position could be used to serve the purpose of the requested position. We are however recommending approval of one 0.75 new FTE 5177 Safety Officer.						
1739	013	Mandatory Fringe Benefits				564,194	549,582	14,
		Corresponds to the reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

partment: TIS - Telecommunications & Information Services

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
chnology Services (BIT)								
37	027	Professional Services				5,099,294	5,099,294*	
		* The Mayor's Office placed $403,754, net of a technical correction, on reserve for the Geographic Information Systems (GIS) program pending submission of a GIS program budget. On June 25, 2001, the Mayor's Office took the GIS monies off reserve after review of GIS budget details and the GIS Plan. Subsequent to a review of the data submitted, the Budget Analyst recommends reserving $183,254 for the GIS program pending submission of budget details to the Finance Committee.						
6	001	Permanent Salaries - Misc.				8,519,730	8,430,050	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding specific individual classifications.						
1		Project Director	1070S	4.00	3.00	358,720	269,040	89,680
		Reduce by 0.25 FTE to reflect an actual hire date of October 1, 2001.						
736	013	Mandatory Fringe Benefits				1,883,891	1,866,134	17,757
		Corresponds to the reduction in salaries.						
cy & Planning (BK4)								
141	001	Permanent Salaries - Misc.				978,296	963,284	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendation.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: TIS - Telecommunications & Information Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1757		Attrition Savings - Misc.	9993M	(0.73)	(0.96)	(48,577)	(63,589)	15,
		Increase Attrition Savings to reflect the Department's anticipated vacancy for FY 2001-02 but acknowledging the Department has or is about the fill the vacancies that caused the Department to underspend its Permanent Salaries - Misc. for Policy & Planning in FY 2000-01.						
1741	013	Mandatory Fringe Benefits				238,947	223,934	15,3
		Corresponds to the increase in Attrition Savings.						
1741	023	Employee Field Expenses				1,000	50	[illegible]
		Reduce to $50, given the projected expenditures of $23 for Employee Field Expenses for FY 2000-01.						
		Total Recommended Reductions						$255,3
		Total Recommended Reserves						$49[illegible]5

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: WTR WATER DEPARTMENT

FINANCIAL DATA:

The Water Department's proposed $361,324,313 budget for FY 2001-02 is $101,340,191 or 38.98 percent more than the original FY 2000-01 budget of $259,984,122. The net increase from the revised FY 2000-01 budget is $90,097,109 or 33.22 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2000-2001		Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
Program Expenditures	Original	Revised		
CITY DISTRIBUTION	$ 63,017,983	$ 47,205,570	$ 73,986,246	$ 10,968,263
SUPPLY & TREATMENT	46,848,439	46,900,940	44,633,617	(2,214,822)
WATER CAPITAL PROJECTS	-	107,926,927	-	-
WATER FACILITIES MAINTENANCE PROJECTS	-	-	-	-
WATER GENERAL	19,037,000	19,037,000	19,037,000	-
Total Operating Expenditures	$ 128,903,422	$ 221,070,437	$ 137,656,863	$ 8,753,441
Capital Improvements & Fac. Maint.	$ 131,080,700	$ 50,156,767	$ 223,667,450	$ 92,586,750
Total Expenditures	$ 259,984,122	$ 271,227,204	$ 361,324,313	$ 101,340,191
Less: Work Order Recoveries	(296,500)	(1,159,560)	(222,998)	73,502
Net Expenditures	$ 259,687,622	$ 270,067,644	$ 361,101,315	$ 101,413,693

Department: WTR WATER DEPARTMENT (continued)

Major expenditure changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Expenditure	FY 2000-01 Budget	FY 2001-02 Budget	Increase/ (Decrease)
Debt Service	$20,259,927	$33,491,716	$13,231,789
Services of Other Departments	37,864,880	33,924,602	(3,940,278)
Judgements and Claims	2,000,000	1,000,000	(1,000,000)
Water Sewage Treatment Supplies	1,522,500	2,080,119	557,619
Equipment Purchase	2,839,700	2,217,624	(622,076)
Buildings, Structures and Improvements	131,080,700	223,667,450	92,586,750
Total	$195,567,707	$296,381,511	$100,813,804

As noted above, the capital improvements increase of $92,586,750 represents 91.4 percent of the Water Department's budget increase of $101,340,191.

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 430.35 FTEs, which is 8.23 FTEs less than the 438.58 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

	Fiscal Year 2000-1999		Mayor's Budget	Proposed Increase (Decrease)
Full Time Equivalents	Original	Revised	Fiscal Year 2001-2002	From 2000-2001 Original Budget
CITY DISTRIBUTION	190.63	190.63	185.74	(4.89)
SUPPLY & TREATMENT	247.95	247.95	244.61	(3.34)
Totals	438.58	438.58	430.35	(8.23)

Department: WTR WATER DEPARTMENT (continued)

The Water Department's budget contains a total of 2 new positions (1.50 FTE) budgeted for FY 2001-2002. We are recommending approval of 1 of the 2 new positions. The Water Department's proposed new positions are shown as follows:

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries
Senior Clerk Typist	1426	0.75	$45,431	1	$45,431
Water Operations Analyst	5148	0.75	88,368	1	88,368
Total:		1.50		2	$133,799

The Water Department is proposing to reclassify the following Special Assistant position:

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
Provisional	1.00	1371	Special Assistant XII	$75,951	5148	Water Operations Analyst	$88,368
Total	1.00			$75,951			$88,368

DEPARTMENT REVENUES

Department revenues have increased by $101,856,947 or 37.8 percent. Major revenue changes from the original FY 2000-01 budget to the proposed FY 2001-02 budget are as follows:

Revenue	FY 2000-01	FY 2001-02	Increase/ (Decrease)
Interest Income	$3,565,000	$10,203,000	$6,638,000
Sale of Water - SF Consumers	66,492,316	64,913,825	(1,578,491)
Sale of Water - Muni Paying	2,100,000	3,000,000	900,000
Sale of Water - Suburban Resale	74,569,000	79,467,613	4,898,613
Beginning Fund Balance	13,391,441	127,036,966	113,645,525
Commercial Paper/Bond Proceeds	100,232,700	77,636,000	(22,596,700)
Total	$260,350,457	$362,257,404	$101,906,947

Department: WTR WATER DEPARTMENT **(continued)**

DESCRIPTION

1. The Water Department operates local water storage facilities and the drinking water distribution system.

2. The Board of Supervisors has approved an 8.65 percent increase in water rates for retail customers, both inside and outside of San Francisco, and a 2.8 percent increase for suburban resale customers for FY 2001-02.

3. The Water Department's proposed $361,324,313 budget for FY 2001-02 includes $223,667,450 in capital projects, as shown below:

Title	Bond Funds	WTR Revenues	Totals
Suburban Buildings	$1,400,000	-	$1,400,000
City Buildings	-	$875,000	875,000
Suburban Dams	-	2,760,000	2,760,000
Suburban Other Facilities	-	21,700,000	21,700,000
City Other Facilities	8,448,000	4,000,000	12,448,000
Suburban Pipeline	2,000,000	20,519,450	22,519,450
City Pipeline	9,500,000	38,500,000	48,000,000
Suburban Pump Stations	-	8,100,000	8,100,000
City Pump Stations	-	7,800,000	7,800,000
City Reservoirs	18,200,000	15,700,000	33,900,000
Suburban Treat Facilities	40,088,000	24,077,000	64,165,000
Total	$79,636,000	$144,031,450	$223,667,450

COMMENT

The Mayor's budget provides an increase of $101,340,191. Our recommended reductions, which total $177,770, would still allow an increase of $101,162,421 or 38.91% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

partment: WTR - Water Department

age No.	Object		Position/ Equip-ment	Number From	Number To	Amount From	Amount To	Savings
ity Distribution - BCF								
31	021	Travel				$15,200	$12,500	$2,700
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
1	029	Maintenance Svcs-Equipment				146,000	105,000	41,000
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
72	035	Other Current Expenses				430,885	327,000	103,885
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
pply & Treatment - BCG								
71	011	Overtime				418,040	390,000	28,040
		Reduce to actual 2000-01 expenditure level adjusted by a cost of living factor for 2001-2002.						
7	013	Mandatory Fringe Benefits				4,123,503	4,121,358	2,145
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: WTR - Water Department

Page No.	Object		Position/ Equipment	Number From	Number To	Amount From	Amount To	Savings
Water Capital Projects - BCI								
1822	067	Buildings, Structures & Improvements Reserve $4,300,000, which is the amount allocated in this budget for the San Francisco Water Alliance contract, pending the Department's submission of a detailed budget, contractor hourly rates, and number of hours.				$20,700,000	$20,700,000 *	
		Total Recommended Reductions						**$177,77**
		Total Recommended Reserves						**$4,300,00**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

DEPARTMENT: DPW DEPARTMENT OF PUBLIC WORKS

FINANCIAL DATA:

The Department of Public Works' proposed $152,998,002 budget for FY 2001-02 is $26,975,185 or 21.41 percent more than the original FY 2000-01 budget of $126,022,817. The net increase from the revised FY 2000-01 budget is $22,797,207 or 17.51 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ARCHITECTURE	$ 3,354,998	$ 2,111,976	$ 3,533,722	$ 178,724
BUILDING REPAIR AND MAINTENANCE	29,460,693	30,168,983	31,975,989	2,515,296
CITY CAPITAL PROJECTS	-	(6,819,298)	-	-
CONSTRUCTION MANAGEMENT SERVICES	4,259,090	6,231,682	4,746,722	487,632
DISABILITY ACCESS	-	-	-	-
DPW BUREAU OVERHEAD PROGRAM	-	-	-	-
DPW GENERAL ADMINISTRATION	12,129,864	10,710,288	12,978,242	848,378
DPW INTERDEPARTMENT WORK ORDER PROGRAM	-	5,905,161	-	-
ENGINEERING	5,821,884	4,182,220	5,923,320	101,436
LAGUNA HONDA - LONG TERM CARE	-	-	-	-
MAPPING	-	1,000	-	-
MOSCONE EXPANSION PROJECT	-	508,618	-	-
SFGH - ACUTE CARE - HOSPITAL	-	-	-	-
STREET AND SEWER REPAIR	17,943,073	16,255,432	20,208,867	2,265,794
STREET ENVIRONMENTAL SERVICES	36,479,065	36,883,221	40,432,949	3,953,884
STREET USE MANAGEMENT	10,339,888	9,440,658	10,818,650	478,762
Total Operating Expenditures	$ 119,788,555	$ 115,579,941	$ 130,618,461	$ 10,829,906
Capital Improvements & Fac. Maint.	$ 6,234,262	$ 14,620,854	$ 22,379,541	$ 16,145,279
Total Expenditures	$ 126,022,817	$ 130,200,795	$ 152,998,002	$ 26,975,185
Less: Work Order Recoveries	(75,394,843)	(76,978,252)	(80,506,469)	(5,111,626)
Net Expenditures	$ 50,627,974	$ 53,222,543	$ 72,491,533	$ 21,863,559

Department: DPW DEPARTMENT OF PUBLIC WORK (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2001-02 is 1,089.35 FTEs, which is 24.26 FTEs more than the 1,065.09 FTEs in the original FY 2000-01 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2000-2001 Original	Fiscal Year 2000-2001 Revised	Mayor's Budget Fiscal Year 2001-2002	Proposed Increase (Decrease) From 2000-2001 Original Budget
ARCHITECTURE	20.92	20.92	20.94	0.02
BUILDING REPAIR AND MAINTENANCE	277.91	277.91	282.37	4.46
CONSTRUCTION MANAGEMENT SERVICES	28.28	28.28	29.39	1.11
GENERAL ADMINISTRATION	111.74	111.74	111.98	0.24
ENGINEERING	39.57	39.57	38.71	(0.86)
STREET AND SEWER REPAIR	132.19	132.19	133.52	1.33
STREET ENVIRONMENTAL SERVICES	365.48	365.48	381.67	16.19
STREET USE MANAGEMENT	89.00	89.00	90.77	1.77
Totals	1,065.09	1,065.09	1,089.35	24.26

DEPARTMENT REVENUES

Department revenues have increased by $8,466,288 or 25.07 percent and General Fund support has increased by $14,199,613 or 59.50 percent.

DESCRIPTION

- **Bureau of Architecture**: The Bureau Of Architecture increased its FTE count by 0.02 due to the following: (1) an increase in 0.03 FTEs resulting from a decrease in Attrition Savings; (2) a decrease of 0.01 FTEs resulting in a decrease in Temporary-Miscellaneous savings.

Department: DPW DEPARTMENT OF PUBLIC WORK (continued)

- **Bureau Of Construction Management:** The Bureau of Construction Management increased its FTE count by 1.11 FTEs due to the following (1) a reassignment of one FTE Program Manager I and (2) a decrease in Attrition Savings that increases the FTEs by 0.11.

- **Bureau of Building Repair and Maintenance:** The Bureau of Building Maintenance and Repair increased its FTE count by 4.46 FTEs due to the following: (1) an increase of 0.75 FTEs pertaining to one new position, a Class 7334, Stationary Engineer; (2) an increase of 0.25 FTEs for the continuation of one position approved in the current budget and (3) an increase of 3.46 FTEs from a decrease in Attrition Savings.

- **Bureau of General Administration:** The Bureau of Administration increased its FTE count by 0.24 due to a decrease in Attrition Savings that increases FTEs by 0.24.

- **Bureau of Engineering:** The Bureau of Engineering decreased its FTE count by 0.86 due to the following: (1) a deletion of one FTE Telephone Operator, Class 1706; and (2) a decrease in Attrition Savings that increases FTEs by 0.14.

- **Bureau of Street and Sewer Repair:** The Bureau of Street and Sewer Repair increased its FTE count by 1.33 FTEs due to the following: (1) an increase of 1.00 FTE reassigned from other DPW bureaus and, (2) a reduction in Attrition Savings that increases FTEs by 1.33.

- **Bureau of Street and Environmental Services:** The Bureau of Street and Environmental Services increased its FTE count by 16.19 FTEs due to the following: (1) an increase of 17.50 FTEs Class 7514 General Laborers); and (2) an increase in Attrition Savings that decreases FTEs by 1.31.

- **Bureau of Street Use Management:** The Bureau of Street Use Management increased its FTE count by 1.77 due to the following: (1) an increase of 1.25 FTEs pertaining to the continuation of 5 positions approved in the current budget; and (2) a decrease in Attrition Savings that increase FTE by 0.52.

Department: DPW DEPARTMENT OF PUBLIC WORK (continued)

Special Assistant Positions Recommended for Reclassification

Exempt / Provisional	Count	Old Class	Title	Salary	New Class	Title	Salary
1 exempt 1 provisional	2	1374	Special Assistant XV	186,563	0931	Manager VII	193,997
exempt	1	1377	Special Assistant XVII	116,119	0941	Manager X	120,746
exempt	1	1375	Special Assistant XVI	100,328	0932	Manager V	104,326
exempt	1	1376	Special Assistant XVII	107,976	0933	Manager IX	112,278
exempt	1	1373	Special Assistant XIV	86,652	0923	Manager V	90,105
provisional	1	1375	Special Assistant XVI	100,328	0932	Manager V	104,326
Total	7			697,966			725,778

Remaining Special Assistant Positions

Exempt / Provisional	Count	Class	Title	Salary	Filled / Vacant
exempt	1	1372	Special Assistant to Deputy Director	80,262	filled
exempt	1	1374	New FAMIS Reconciliation Project*	93,281	filled
provisional	1	1377	Director of Communications and Public Affairs	116,119	filled
provisional	1	1377	Special Assistant to the Director of Public Works	116,119	filled
exempt	1	1380	Program Manager of Laguna Honda Hospital	140,322	filled
exempt	1	1371	Coordinator of the Adopt-A-Street Program	75,951	on leave
exempt	1	1371	Coordinator of the Adopt-A-Program (Acting)	backfill for above	
exempt	1	1366	Emergency Planning Coordinator	52,435	filled
provisional	1	1360	Material Testing Assistant	34,113	filled
provisional	1	1366	Public Information Assistant	52,435	filled
provisional	1	1368	Public Information Coordinator	60,708	filled
provisional	1	1376	Emergency Management Coordinator	107,976	filled
Totals	12			929,721	

* Prop. F retiree. Works approximately 8 hrs per week or 417.6 hour annually $18,656 annually.

Department: DPW DEPARTMENT OF PUBLIC WORK **(continued)**

COMMENTS

1. As noted on the first page of this report, the $26,975,185 increase to DPW's 2001-2002 proposed budget are largely due to the following: (1) an increase of approximately $16,145,279 in capital projects; (2) proposed vehicle purchases totaling approximately $2,720,648 for 58 vehicles; (3) an increase in equipment purchases of approximately $1,043,663, (4) an increase of approximately $1,201,000 in services to other departments, (5)$853,000 in salaries due to the annualization of new positions approved in the current budget; (6) an increase of approximately $3,000,000 in mandatory fringe benefits; (7) an increase of approximately $539,000 due to increased vehicle fuel and utility costs; (8) an increase in the materials and supplies budget of approximately $645,242, and (9) an increase of approximately $248,279 due to higher building rental costs for certain bureaus.

2. As noted above, DPW proposes to spend approximately $2,720,648 to purchase 58 new and replacement vehicles. Included in this amount is approximately $2,280,648 to purchase 42 replacement vehicles of various types. The remaining $440,000 would be used to purchase 16 new vehicles adding to DPWs vehicle fleet. Many of the vehicles in DPW's fleet are operating beyond their life expectancy and as a result, DPW has incurred higher vehicle maintenance costs. DPW has indicated that reduced levels of operating efficiency also result from the need to perform constant repair work on the older vehicles. The proposed 58 vehicles represent 28.6 percent of the total of 203 vehicles DPW plans to replace as it implements its vehicle replacement plan. DPW estimates that the total cost of replacing the 203 vehicles would be approximately $12,290,500.

3. While the new vehicles may result in lower maintenance costs, increased efficiency measures resulting from the new vehicles should be documented as the replacement schedule is implemented. DPW's vehicle maintenance costs for the 203 vehicles were $1,007,582 in FY 1997-98; 1,053,103 in FY 1998-99 and $1,144,606 in FY 1999-00. DPW has purchased 41 vehicles in FY 2000-01. The total DPW vehicle maintenance costs for all vehicles in DPWs fleet were $2,669,052 in FY 1997-98, $3,050,741 in FY 1998-99, and $3,161,132 in FY 1999-00. As noted above, the approximate cost of the 42 replacement vehicles would be $2,280,648 of which approximately $846,006 would be a General Fund expenditure.

4. As we noted above DPW proposes to purchase 16 new vehicles and 42 replacement vehicles. Of the 58 vehicles being requested, we are recommending approval of 33

Department: DPW DEPARTMENT OF PUBLIC WORK **(continued)**

replacement vehicles and twelve new vehicles for a total amount of 45 vehicles after reviewing vehicle fleet information from DPW. The Budget Analyst is recommending disapproval of 9 replacement vehicles and 4 new vehicles for a total of 13 disapproved vehicles.

5. The recommended increase in new vehicles are due to the increased service demand from program expansions such as the expanded street cleaning program and the addition of street cleaning staff in the current budget. Additionally, a review of fleet vehicle mileage totals and maintenance information and the age of vehicles provided by DPW, further supports revising upward the number of approved vehicles to 45 as noted above. According to DPW vehicles may spend two days to two weeks not in service due to repair work. This new recommendation would allow DPW to make significant additions to their fleet of vehicles. After the acquisition of the recommended 45 vehicles DPW would be in a position to gauge the overall effectiveness of these additional vehicles by noting any reductions in vehicle maintenance costs, and increased efficiency prior to acquiring more new vehicles. Additionally, DPW might consider placing in surplus, vehicles that are no longer operational. In addition, DPW would benefit by exploring vehicle lease options for specific classes of vehicles.

SUMMARY OF RECOMMENDATIONS

1. The Budget Analyst recommends the reduction of expenditures totaling $1,627,776 and reserves totaling $50,000 in the DPW's eight Bureaus as summarized below and as detailed on the following pages:

Bureau	Budget Analyst's Recommended Reductions	Budget Analyst's Recommended Reserves
Architecture	$161,968	
Building Repair and Maintenance	344,300	
Construction Management Services	208,792	
General Administration	58,201	$50,000
Engineering	50,095	
Street and Sewer Repair	322,191	
Street Environmental Services	428,829	
Street Use Management	53,400	
Total	$1,627,776	$50,000

Department: DPW DEPARTMENT OF PUBLIC WORK (continued)

2. The recommendations above include General Fund expenditure reductions in the following Bureaus:

Bureaus	Amount
Street Environmental Services	$328,229
Building Repair	222,800
Total General Fund	$551,029

3. In addition, our recommendations include reductions to the Gas Tax funded programs which include a General Fund subsidy. These reductions are in the following Bureaus.

Street Environmental Services	$100,600
Street and Sewer Repair, Gas Tax	173,517
Total Gas Tax	$274,117

4. The combined impact of our recommendations to General Fund appropriations ($551,029) and the Gas Tax Fund ($274,117) would reduce General Fund support by a total of $825,146.

5. We are also recommending that DPW report back to the Finance Committee by March of 2002 on the implementation of its vehicle replacement plan, and impact of the 45 vehicles recommended in this report. Additionally, DPW's report would include information on the deployment of vehicles within the different DPW bureaus. This report to the Board of Supervisors should also explain how vehicle use patterns vary across the different DPW bureaus and programs. This report should also indicate what impact the 41 new and replacement vehicles purchased in the current FY 2000-01 budget have had in curtailing the reducing the annual maintenance and repair costs previously noted. Finally, the DPW should include in its report a list of vehicles that potentially maybe leased.

6. The Budget Analyst also recommends that the DPW Bureau of Street Environmental Services report back to the Board of Supervisors by March of 2002, as to the results of the effectiveness of the expanded street cleaning program operations as well as other activities that involve both public and private efforts to improve the cleanliness of City streets.

Department: **DPW DEPARTMENT OF PUBLIC WORK (continued)**

7. As noted on the first page of this report, the Mayor's FY 2001-02 budget for DPW provides an increase of $26,975,185. Our recommended reductions, which total $1,627,776 would still allow an increase of $25,347,409 or 20.0 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: **DPW-Department of Public Works**
Bureau of Architecture

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
upport Services (2S PWF OHF)								
7	001	Permanent Salaries				$921,968	$866,753	*
		*The recommended reduction in Permanent Salaries is the total of the following recommendations regarding individual classifications.						
6	001	Attrition Savings	9993M	1.54	1.57	(101,594)	(156,809)	55,215
7	013	Mandatory Fringe Benefits				229,641	215,888	13,753
		Corresponds to reduction in salaries.						
119	060	Equipment Purchases				409,500	316,500	*
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
119	060	Computers/Clerical & Administrative	PW214	14.00	9.00	70,000	45,000	25,000
119	060	Computers/Analytical Staff	PW215	10.00	7.00	80,000	56,000	24,000
119	060	Computers/GIS/IT Prog.	PW216	2.00	1.00	34,000	17,000	17,000
119	060	High Volume Network Printer	PW220	2.00	1.00	24,000	12,000	12,000
119	060	Large Format Color Plotter	PW221	1.00	0.00	15,000	0	15,000
		Reduce the number of units requested because they were not adequately justified.						
		Total Recommended Reductions Bureau of Architecture						$161,968

Department: DPW-Department of Public Works
Building Repair and Maintenance

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Maintenance and Operations of Buildings (1G AGF AAA)								
619	001	Permanent Salaries				2,604,105	2,470,737	*
		*The recommended reduction in Permanent Salaries is the total od the following recommendations regarding individual classifications.						
996	001	Attrition Savings	9993M	3.12	4.34	(156,809)	(290,177)	133,368
		Increase Attrition Savings to actual 2000-01 expenditure level adjusted for salary increases.						
619	013	Mandatory Fringe Benefits				730,887	693,455	37,432
		Corresponds to reduction in salaries.						
1020	060	Equipment Purchases				229,000	177,000	*
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
1020	60	Sedan	PW829N	1.00	0.00	17,000	0	17,000
1020	060	Mini Dump Truck	PW832R	1.00	0.00	35,000	0	35,000
		Reduce the number of units due to inadequate justification.						

epartment: DPW-Department of Public Works
Building Repair and Maintenance

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
upport Services (2S PWF								
1021	060	Equipment Purchases				395,526	274,026	*
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
1021	060	1 Ton Pick-up Truck	PW329N	3.00	1.00	93,000	31,000	62,000
1021	060	1 Ton Pick-up Truck	PW330R	3.00	2.00	93,000	62,000	31,000
1021	060	Towable Air Compressor	PW334R	1.00	0.00	14,500	0	14,500
1021	060	Automatic Scrubber	PW336N	1.00	0.00	14,000	0	14,000
		Reduce the number of units due to inadequate justification						
		Total Recommended Reductions Bureau of Building Repair						$344,300

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: **DPW-Department of Public Works**
Bureau of Construction Management

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
Interdepartmental Services (1G AGFWOF)								
524	001	Permanent Salaries				$8,003,094	$7,901,360	*
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
991	001	Attrition Savings	9993M	0.00	1.50	0	(101,734)	101,
		Increase Attrition savings to actual 2000-01 expenditure level adjusted for salary increases.						
524	013	Mandatory Fringe Benefits				1,782,184	1,759,600	22,
Support Services (2S PWF OHF)								
594	013	Permanent Salaries-Misc.				$1,323,673	$1,316,642 *	
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
992	013	Attrition Savings- Misc.	9993M	1.34	1.45	(85,657)	(92,688)	7
		Increase Attrition Savings to actual 2000-01 expenditure level adjusted for salary increases.						
594	013	Mandatory Fringe Benefits				339,511	337,712	1,
		Corresponds to reduction in salaries.						
594	021	Travel				11,149	9,005	2,
		Reduce the number budgeted trips by leaving funds to cover the cost of seven the proposed nine trips.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: **DPW-Department of Public Works**
Bureau of Construction Management

ige).	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
18	060	Equipment				385,025	311,525	*
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
18	060	Clerical Workstations	PW721R	11.00	5.00	55,000	30,000	25,000
18	060	Analytical Work Stations	PW719R	7.00	4.00	56,000	24,000	32,000
18	060	Pick-Up Truck	PW729N	3.00	2.00	49,500	33,000	16,500
		Reduce the number of units and prices per unit which have not been adequately justified.						
		Total Recommended Reductions Bureau of Construction Management						$208,792

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: **DPW-Department of Public Works**
Bureau of General Administration

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
Bureau of Administration (2S PWF OHF)								
896	013	Permanent Salaries-Misc.				$7,811,501	$7,794,639	*
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
1013	013	Attrition Savings- Misc.	9993M	4.76	5.00	(334,438)	(317,576)	16,
		Increase Attrition savings to actual 2000-01 expenditure level adjusted for salary increases.						
896	013	Mandatory Fringe Benefits				1,822,481	1,818,547	3,9
		Corresponds to reduction in salaries.						
896	021	Travel				32,539	23,134	9,4
		Reduce travel by $9,405 to reflect 2000-01 budget adjusted by COLA. In 2000-01 total projected travel expenditures are $15,244.						
896	027	Professional and Specialized Services				288,000	288,000*	
		*Reserve $50,000 for specialized consultants and training until DPW provides additional information on specific contractor, hours, and hourly rates.						
897	081	Services of Other Departments				1,273,262	1,245,262	*
		*The recommended reduction in Services from other department is the total of the following specific						

epartment: **DPW-Department of Public Works**
Bureau of General Administration

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
7	081	DTIS TIS-ISD Services				648,904	620,904	28,000
		The budget for the proposed DTIS services have been overbudgeted.						
		Total Recommended Reductions Bureau of General Administration						$58,201
		Total Recommended Reserves						$50,000

Department: **DPW-Department of Public Works**
Bureau of Engineering Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
Bureau Support Services (2S PWF OHE)								
989	013	Permanent Salaries-Misc.				$1,929,811	$1,919,807 *	
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
989	013	Attrition Savings- Misc.	9993M	2.99	3.13	(213,676)	(223,680)	10,
		Increase Attrition savings to actual 2000-01 expenditure level adjusted for salary increases.						
456	013	Mandatory Fringe Benefits				462,999	460,599	2,
		Corresponds to reduction in salaries.						
1017	060	Equipment Purchase				529,096	491,405	*
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
1017	060	Misc Software Upgrades	PW436	1.00	0.00	12,000	0	12,
1017	060	Network Printer	PW444	5.00	3.00	26,500	14,787	11,7
1017	060	Network Color Printer	PW445	2.00	1.00	12,400	5,766	6,6
1017	060	Velocity Transducer System	PW448	1.00	0.00	6,100	0	6,1
1017	060	Project&Document Server	PW450	1.00	0.00	17,769	16,525	1,2
		Reduce the number of units due to inadequate justification. Unit prices should be reduced by 7 percent.						
		Total Recommended Reductions Bureau of Engineering Services						$50,0

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

---

epartment: DPW-Department of Public Works
Bureau of Street and Sewer
Repair

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
terdepartmental Services (1G AGF PWF)								
6	013	Permanent Salaries-Misc.				$3,440,374	$3,439,074	*
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
3	013	Attrition Savings- Misc.	9993M	0.94	1.15	(53,026)	(54,326)	1,300
		Increase Attrition savings to actual 2000-01 expenditure level adjusted for salary increases.						
45	013	Mandatory Fringe Benefits				989,193	988,819	374
		Corresponds to reduction in salaries.						
eet Repair Program (2S GTF RDF)								
47	001	Permanent Salaries-Misc.				1,703,211	1,660,502	*
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
8	001	Attrition Savings	9993M			(84,891)	(127,600)	42,709
		Increase Attrition savings to actual 2000-01 expenditure level adjusted for salary increases.						
47	013	Mandatory Fringe Benefits				431,015	420,207	10,808
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: **DPW-Department of Public Works**
Bureau of Street and Sewer Repair

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savin
1015	060	Equipment Purchases				355,500	235,500	
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
1015	060	6 Wheel Dumper	PW849R	1.00	0.00	120,000	0	120,00
		Deny this request because of inadequate justification. DPW has not yet purchased a similar vehicle approved in the current FY 2000-01 budget.						
Support Services (2S PWF OHF)								
1015	060	Equipment Purchases				453,400	306,400	
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
1015	060	Pick-up Truck 1/2 Ton	PW615R	1.00	0.00	27,000	0	27,0
1015	060	Cribber Truck	PW619R	1.00	0.00	120,000	0	120,0
		Reduce the number of units due to inadequate justification.						
		Total Recommended Reductions Bureau of Street and Sewer Repair						**$322,1**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: DPW-Department of Public Works

Bureau of Street Environmental Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Street Environmental Services General Fund (1G GF AAA)								
67	013	Permanent Salaries-Misc.				$6,415,898	$6,387,592	*
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications						
006	013	Attrition Savings- Misc.	9993M			199,970	171,664	28,306
		Increase Attrition savings to actual 2000-01 expenditure level adjusted for salary increases.						
67	013	Mandatory Fringe Benefits				1,795,741	1,787,818	7,923
		Corresponds to reduction in salaries.						
25	060	Equipment Purchase				993,006	701,006	*
		*The recommended reduction in equipment is the total of the following specific recommendations.						
25	060	Front End Loader	PW836R	1.00	0.00	170,000	0	170,000
25	060	Crew Mini Dump	PW841R	1.00	0.00	40,000	0	40,000
25	060	Stake with Lift Gate	PW842R	1.00	0.00	42,000	0	42,000
25	060	Crew Stake Dump	PW843R	1.00	0.00	40,000	0	40,000
		Reduce the number of units because the units were not adequately justified. This will still allow the Department to replace older vehicles in their fleet.						

ad Fund Gas Tax (2S GTF GTN)

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: **DPW-Department of Public Works**

Bureau of Street Environmental Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
888	001	Permanent Salaries				9,697,447	9,618,694	*
		*The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding specific individual classifications.						
1008	013	Attrition Savings- Misc.		5.97	7.54	299,465	220,712	78,7
		Increase Attrition Savings to actual 2000-01 expenditure level adjusted for salary increases.						
889	013	Mandatory Fringe Benefits				2,690,234	2,668,387	21,8
		Corresponds to reduction in salaries.						
		Total Recommended Reductions **Bureau of Street and Environmental Services**						**$428,**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

epartment: **DPW-Department of Public Works**
Bureau of Street Use Management

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
reet Use Management Program (2S PWF OHF)								
22	060	Equipment				$130,400	$77,000	*
		*The total recommended reduction in equipment is the total of the following specific recommendations.						
22	060	Modular furniture	PW828	1.00	0.00	53,400	0	53,400
		Disapprove equipment which was not adequately justified.						
		Total Recommended Reductions Bureau of Street Use Management						**$53,400**
		Grand Total Recommended Reductions for DPW						**$1,627,776**
		Grand Total Recommended Reserves for DPW						**$50,000**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

FINANCIAL DATA:

The SFRA's proposed $162,354,000 budget for FY 2001-02 is $10,635,000 or approximately 6.15 percent, less than the approved FY 2000-01 budget of $172,989,000.

(Dollars in Thousands)

		Approved Budget 2000-01	Proposed Budget FY 2001-02	Proposed Increase (Decrease)
Amount:	Expenditure Budget	$ 172,989	$ 162,353	$ (10,636)
Revenues:	Property Sales	2,175	-	(2,175)
	Rentals/Leases	9,934	10,676	742
	Prior Year Earn./Savings	11,404	4,939	(6,465)
	Developer Contribution	8,844	6,202	(2,642)
	Grants	12,021	8,140	(3,881)
	Other	5,687	5,430	(257)
	Bond Proceeds	43,209	30,287	(12,922)
	Tax Increment (for O/S Obligation)	27,282	33,879	6,597
	Total Revenues:	$ 120,556	$ 99,553	$ (21,003)
Expenditures:	**Project Areas / Programs**			
	Legal	$ 1,202	$ 1,182	$ (20)
	Studies & Misc. Items(1)	1,254	1,460	206
	Planning	1,218	1,502	284
	Acquisition	215	-	(215)
	Public Improvements	72,032	40,022	(32,010)
	Arch./Eng.Design & Review	689	905	216
	Relocation	200	400	200
	Property Maintenance	7,348	8,110	762
	Housing Production & Assist.	42,762	52,424	9,662
	Job Training/Assist.	1,150	1,280	130
	Business Dev/Revitalization	945	3,584	2,639
	Other	1,756	2,206	450
	Pass-Through Obligations	1,988	4,875	2,887
	Debt Service	27,319	30,468	3,149
	Subtotal - Project Areas / Programs	$ 160,078	$ 148,418	$ (11,660)
	Personnel / Administration			
	Personnel Costs	$ 9,945	$ 10,794	$ 849
	Administrative Costs	2,966	3,142	176
	Subtotal - Personnel / Admin.	$ 12,911	$ 13,936	$ 1,025
	Total Expenditures	$ 172,989	$ 162,354	$ (10,635)
	Total Revenues	120,556	99,553	(21,003)
	Surplus (Deficit)	$ (52,433)	$ (62,801)	$ (10,368)
Debt Financing:	Tax Increment (pay-as-you-go)	$ 8,495	$ 10,616	$ 2,121
	General Fund	-	315	315
	Bond Proceeds	43,938	51,870	7,932
	Total Deficit Financing	$ 52,433	$ 62,801	$ 10,368
Tax Increment:	Net SFRA Tax Increment Request	$ 34,388	$ 41,715	$ 7,327
	Total General Fund Impact	$ 23,515	$ 29,237	$ 5,722
FTEs:	Permanent Staff	112.50	113.50	1.00

Department: Red - San Francisco Redevelopment Agency (SFRA)

A description of Redevelopment Survey Areas, Project Areas, Programs and their respective FY 2001-02 activities and goals are as follows:

REDEVELOPMENT SURVEY AREAS

Bayview Hunters Point Survey Area $1,289,000

The Bayview Hunters Point Survey Area is located in the southeast corner of San Francisco. This portion of San Francisco was designated as a survey area by the Board of Supervisors on January 3, 1995. The survey area phase is the first official step towards designating a redevelopment project. Bayview Hunters Point is bounded by Cesar Chavez Blvd. on the north, the James Lick Freeway on the west, the San Francisco Bay and the Hunters Point Shipyard to the east and the San Francisco county line on the south. This area is approximately 2,528 acres and has an estimated population of 25,000.

Transbay Survey Area $667,000

The Transbay Survey Area is approximately 180 acres generally bounded by Market Street on the north, the Bay Bridge on the south, Spear Street on the east and New Montgomery Street on the west. The area is currently characterized by office and service commercial development with a significant amount of land dedicated to transportation services and surface parking.

Mid-Market Survey Area $953,000

In December 1995, the Board of Supervisors declared a Mid-Market Survey Area extending from 4th Street to Octavia Street along Market Street. The purpose of the Survey Area was to determine whether or not the adoption of a Mid-Market Redevelopment Project Area would be appropriate. A Project Area Committee was elected and meets regularly to recommend on proposed and existing activities in the Survey Area. After several public meetings and community workshops, staff and consultants developed the Mid-Market Concept Plan (published in July 1998), that promotes general goals, programs and land use concepts to assist in the revitalization of the area.

Department: Red - San Francisco Redevelopment Agency (SFRA)

REDEVELOPMENT PROJECT AREAS

Yerba Buena Center	**$17,809,000**
Yerba Buena Art Center and Garden Operation	**$7,345,000**

Yerba Buena Center is an 87-acre area that formerly consisted of dilapidated hotels, commercial and industrial buildings, and open parking lots. The project is located adjacent to San Francisco's downtown office and retail districts and extends from Market Street on the north to Harrison Street on the south, and from Second Street on the east to the west property line along Fourth Street.

Rincon Point-South Beach	**$10,771,000**
South Beach Harbor	**$2,985,000**

Rincon Point-South Beach is a 115-acre redevelopment project composed of two non-contiguous geographic areas. The project is located along San Francisco's northeastern waterfront in an area formerly characterized by open cargo storage, a considerable number of substandard and deteriorated structures, several piers in unsound condition and an extensive network of underutilized street rights-of-way.

Western Addition A-2	**$10,163,000**

The program for the Western Addition, A-2 Redevelopment Project, executed in May 1966, provided for development of 5,586 new housing units, the rehabilitation of 3,965 housing units, the revitalization of the Nihonmachi and Fillmore business districts, and the construction of new commercial and public buildings community cultural and recreational facilities and installation of infrastructure and public improvements.

Hunters Point	**$2,425,000**

The Hunters Point Redevelopment Area is a residential community with supporting educational and recreational uses. New infrastructure system and street patterns were the significant beginnings of what is now a vibrant residential community.

India Basin Industrial Park	**$451,000**

Prior to redevelopment, India Basin Industrial Park consisted of 25 acres of auto wrecking yards, 7 acres of vacant land, 35 acres of unimproved streets and the remnants of old Butchertown (the meatpacking businesses operating in obsolete buildings). As meat-packers were forced from San Francisco by technological change or to comply with Department of Agriculture regulations, their place was taken primarily by auto wreckers.

Department: Red - San Francisco Redevelopment Agency (SFRA)

South of Market $10,069,000

The South of Market Earthquake Recovery Redevelopment Project Plan was adopted in June 1990. The 63.4 acre Project Area is focused on Sixth Street and generally bounded by Stevenson, Harrison, Fifth and Seventh Streets. The initial purpose of the Project was to remedy the effects of the October 17, 1989 earthquake, which resulted in considerable loss of housing, displacement of businesses and damage to the physical infrastructure of the area.

Hunters Point Shipyard Redevelopment Area $4,576,000

The Hunters Point Shipyard is a major waterfront facility located in southeast San Francisco and encompasses 500 acres, of which less than a third of the existing building space is actively used today by general industrial activities, including shipyard repair and artists studios. Owned by the U.S. Navy since 1939 and closed in 1974, the Shipyard was leased to Triple A Shipyards in 1976 who maintained the Shipyard and leased unused buildings to artists and small businesses. In 1991, under the Federal Base Realignment and Closure Commission, the Hunters Point Shipyard was declared surplus and closed. A Concept Plan was developed with the Mayor's Hunters Point Shipyard Citizens Advisory Committee and endorsed by the Redevelopment and Planning Commission and the Board of Supervisors in March 1995. The Redevelopment Plan was adopted in July 1997. At full build out, the Shipyard is anticipated to provide up to 8,000 jobs and will be a mixed-use development which will include new industrial and business park development, housing and retail uses, space for cultural uses, such as museums and galleries, active recreation areas, and a considerable amount of shoreline accessible to the public.

Federal Office Building (GSA Site 2) $64,000

In 1988, the City and the Federal government agreed in principal that the Federal General Services Administration (GSA) would construct a new Federal office building in San Francisco, to consolidate agencies that currently occupy leased quarters. The new Federal building will accommodate 2,500 employees in an anticipated gross building area of 675,000 square feet. To facilitate this major undertaking, the City agreed to donate a building site at no cost to the Federal government.

A site at 7th and Mission Streets, formerly occupied by the Greyhound Bus Terminal, was identified by the City and GSA as suitable for the project. The Redevelopment and Planning Commissions certified an EIR for the project on May 8, 1997. On October 14, 1997, the Board of Supervisors adopted ordinances approving the Federal Office Building Redevelopment Plan, and amending the Golden Gateway and South of Market Redevelopment Plans to create a three-way fiscal merger to fund the acquisition of the Federal office building site. On March 31, 1999, the SFRA acquired the privately owned portions of the site. The City completed conveyance of the site to the Federal government in FY 2000-01.

Department: Red - San Francisco Redevelopment Agency (SFRA)

Golden Gateway	**$11,370,000**

Implementation of the 51 acre Golden Gateway Redevelopment Project begun in the early 1960s and has generated 1,400 new housing units, an 840 room hotel, approximately 3,500,000 sq. ft. of office/commercial space and some 12 acres in public parks and open space. Currently the Project Area generates approximately $12 million annually in new property taxes as well as significant annual sales, payroll, hotel and parking taxes. Since 1980 the Project has generated approximately $100 million in new property tax revenue for the City and County of San Francisco.

Mission Bay North	**$5,826,000**
Mission Bay South	**$31,980,000**

The Mission Bay development is divided into two redevelopment project areas, totaling 303 acres. Mission Bay North consists of approximately 65 acres of land bounded by Third Street, Townsend Street, Mission Creek, and Seventh Street, adjacent to the Pacific Bell Ballpark and the Caltrain terminal. Mission Bay South includes approximately 238 acres of land south of Mission Creek, bounded by the 280 Freeway, Terry Francois Boulevard, and Mariposa Street. Catellus Development Corporation is the owner of all of the privately held land in Mission Bay North, and of all but two developable parcels in Mission Bay South. The SFRA has entered into an Owner Participation Agreement with Catellus to provide for development of the Mission Bay North and Mission Bay South Project Areas.

REDEVELOPMENT PROGRAMS

Citywide Housing and HOPWA Programs	**$41,385,000**

The SFRA's role in housing includes financing the production of new housing and the preservation of existing housing through the Citywide Tax Increment Housing Program. More specifically, the SFRA housing activities include authorizing and administering development agreements for market-rate and affordable housing sites within established redevelopment project areas, developing residential land use plans for military base re-use (e.g. Hunters Point Naval Shipyard), making grants to increase the capacity of resident organizations. SFRA's Preservation Program activities include: (1) providing funding to mitigate the impact of expiring Section 8 housing projects, (2) conducting outreach and education about the changes in the Section 8 program, and (3) advocating for greater tenant protections and other related legislative policies. Additionally, SFRA administers the federal Housing Opportunities for Persons with AIDS (HOPWA) program.

Department: Red - San Francisco Redevelopment Agency (SFRA)

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

As previously noted, the SFRA administers the federal Housing Opportunities for Persons with AIDS (HOPWA) program for San Francisco and acts as the HOPWA fiscal agent for the Counties of San Mateo and Marin as well. In FY 2000-01, the SFRA administered approximately $7.2 million in HOPWA funding. In FY 2001-02, HOPWA funding is expected to be approximately $8.5 million. The SFRA works closely with the Department of Public Health AIDS Office and the Mayor's HIV/AIDS Health Services Planning Council in establishing priorities for the program.

GENERAL CITYWIDE TAX INCREMENT HOUSING PROGRAM

Each year, after budgeting for the Preservation and HOPWA programs, the SFRA makes available a certain amount of funds to be used to assist general citywide housing developments. The amount of funds available is determined in part by the amount of outstanding tax increment loans repaid and on the extent to which new tax-exempt or taxable bonds are issued.

REDEVELOPMENT PROJECT AREAS

Substantial staff time has been devoted to overseeing affordable and market-rate housing development within redevelopment project areas.

Economic Development $1,598,000

The SFRA's economic development programs, focused on Redevelopment Project and Survey Areas, are organized into three major categories: economic development, neighborhood economic development and business development.

Central Relocation Services $630,000

Central Relocation Services (CRS) provides the City and County of San Francisco with a single source for assuring compliance with Federal and State relocation directives and regulations issued pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and the California Administrative Code.

COMMENTS:

1. As noted on the first page of this report, the recommended total budget for FY 2001-02 of $162,354,000 is $10,636,000 less than the approved FY 2000-01 budget of $172,989,000. The survey, project and program totals identified above total $162,356,000 due to a rounding of total amounts. Additionally, SFRA is requesting $315,000 in General Fund support in their FY 2001-02 budget for the Mid-Market Project area.

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

2. As noted on the first page of this report, the net tax increment request (i.e., net of AB 1290 Pass-Throughs to the City) will be $41,715,000 for FY 2001-02. The net tax increment request (i.e., net of AB 1290 Pass-Throughs to the City) approved for FY 2000-01 was $34,388,000. The FY 2001-02 budget is a $7,327,000 or 21.3 percent increase over the FY 2000-01 budget.

3. As noted on the first page of this report, the SFRA proposes to expend $30,468,000 during FY 2001-02 on bond debt service. This represents an increase of $3,149,000 or 11.5 percent from the $27,319,000 approved in the FY 2000-01 budget.

4. In addition the SFRA is requesting bond financing (Resolution in File No. 01-1060) not to exceed $60.0 million that will fund additional project costs. The Bond financing request would be used as follows:

Description	**Amount** Dollars in thousands
Bond proceeds for SFRA Work Program Activities	$51,870
Original Issue Discount	300
Underwriters Discount	600
Reserve Fund	6,000
Contingency (possible rise in interest rates between now and the time the bonds are sold)	465
Cost of Issuance (includes financial advisor, bond counsel, printing, trustee, rating agencies and other miscellaneous expenses)	225
Bond Insurance	540
Total	$60,000

Survey Areas, Project Areas & Program Budgets

5. For the three Survey Areas discussed on the second page of this report, the SFRA's proposed budget for FY 2001-02 of $2,909,000 is $916,000 less than the approved FY 2000-01 budget of $3,825,000. Current Project Survey Areas are summarized as follows:

(Dollars in Thousands)

~~Project Survey Areas~~	Approved Budget 2000-01	Proposed Budget FY 2001-02	Proposed Increase (Decrease)
Bayview Hunters Point (formerly known as as South Bayshore)	$ 3,300	$ 1,289	$ (2,011)
Mid Market	525	953	428
Transbay Terminal	-	667	667
Total	$ 3,825	$ 2,909	$ (916

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

6. As shown in the table below, for the 16 existing Project Areas and Programs, the SFRA's proposed budget for FY 2001-02 of $159,447,000, is $9,235,000 less than the approved budget of $168,682,000 for FY 2000-01. Changes to individual projects and programs are as follows:

(Dollars in Thousands)

Existing Project Area & Programs	Approved Budget 2000-01	Proposed Budget FY 2001-02	Proposed Increase (Decrease)
Mission Bay South	$ 31,685	$ 31,980	$ 295
Mission Bay North	18,815	5,826	(12,989)
Rincon Point - South Beach	14,668	10,771	(3,897)
Citywide Housing and HOPWA	26,869	41,385	14,516
Golden Gateway	8,159	11,370	3,211
South of Market	11,998	10,069	(1,929)
Western Addition, A2	14,634	10,163	(4,471)
South Beach Harbor	3,057	2,985	(72)
Yerba Buena Gardens & Center for the Arts	6,470	7,345	875
India Basin	700	451	(249)
Hunters Point	551	2,425	1,874
Central Relocation Services	610	630	20
Economic Development	1,465	1,598	133
Hunters Point Shipyard	3,234	4,576	1,342
Federal Office Building (GSA Site)	381	64	(317)
Yerba Bunea Center	25,386	17,809	(7,577)
Total	$ 168,682	$ 159,447	$ (9,235)

1. According to the SFRA, the project areas such as Mission Bay North & South and Hunters Point Shipyard will not be completed until 2020. These project areas will require continuing financial assistance throughout their life.

2. According to the SFRA, the South of Market Plan expires in 2010 and will need financial assistance in the form of tax increment throughout the life of the Plan. Additionally, SFRA notes that their ability to finance improvements with tax increment in Hunters Point, India Basin, Rincon Point-South Beach, Yerba Buena Center, and Western Addition A2 project areas ceases January 1, 2004 while land use authority over these sites remain with the SFRA

for another five years. SFRA's financing activities within the six project areas listed will be limited to financing low and moderate-income housing projects.

3. Based on data provided by the SFRA, the following table provides an overview of existing redevelopment project areas including the respective redevelopment plan adoption dates and legally mandated plan deadlines. In addition, SFRA has reported on estimates of redevelopment work completed to date for each of the respective project areas.

		Plan Limits Termination Dates			
Project Area	Plan Adoption Date	Establishing Debt(1)	Plan Expiration	Repayment of Debt (2)	% Redeveloped/ Completed
Rincon Point-South Beach	01/05/81	01/01/04	01/05/21	01/05/31	87%
Western Addition, A2	10/13/64	01/01/04	01/01/09	01/01/19	87%
Yerba Buena Center	04/25/66	01/01/04	01/01/09	01/01/19	88%
Hunters Point	01/20/69	01/01/04	01/20/09	01/01/19	92%
India basin	01/20/69	01/01/04	01/20/09	01/01/19	94%
South of Market	06/11/90	06/11/10	06/11/10	06/11/20	47%
Golden Gateway	05/25/59	01/01/04	01/01/09	01/01/19	100%
Federal Office Building	10/14/97	12/15/16	10/14/17	12/15/41	92%
Mission Bay North	10/26/98	10/26/18	10/26/18	10/26/43	4%
Mission Bay South	11/02/98	11/02/18	11/02/18	11/02/43	4%
Hunters Point Shipyard	07/14/97	07/14/17	07/14/17	11/02/42	4%

4. SFRA hopes to alleviate the shortage of affordable housing, by increasing the amount of funding available to develop affordable housing units. The total $52,424,000 FY 2001-02 SFRA's Budget for Housing Production & Assistance is $9,662,000 more than the FY 2000-01 budget of $42,762,000. The $52,424,000 requested for FY 2001-02 includes $41,385,000 to Citywide Housing, of which $18,100,000 is for housing preservation, $8,100,000 in HOPWA funds, $4,000,000 for Mission Bay North housing, $3,000,000 to housing development in Bayview, $2,600,000 for other city projects and $6,500,000 for land parcels know as the "freeway sites". These parcels are presently owned by CalTrans, but according to SFRA will be transferred to the City at no cost. The "freeway sites" are bounded by the following four City streets, Turk Street to the North, Market Street on the South, and Octavia and Franklin Streets forming the eastern and western boundaries.

Department: Red - San Francisco Redevelopment Agencv (SFRA)

Personnel & Administrative Budget

11. As noted on the first page of this report, the SFRA has a net increase of 1.0 FTE in permanent position in the FY 2001-02 budget from 112.5 to 113.5. According to the SFRA, this increase is the result of a new 1 FTE Housing Development Specialist in the Housing Program. The Housing Development Specialist position responsibilities include assisting in the acquisition and disposition of properties for rehabilitation and/or construction of low-income housing. Additionally, the Housing Development Specialist position would be responsible for assisting in negotiating the terms of sale and purchase of properties to be developed into low-income housing. Other duties include the preparation and presentation of detailed records and reports.

12. According to the SFRA, existing staff has also been reassigned to the housing program as part of a realignment of staff to meet the needs of the housing program for the coming year.

Recommendations

1. Amend the SFRA's proposed FY 2001-02 budget in accordance with the Budget Analyst's recommended reductions of $468,182 on the following page, of which approximately $200,000 is General Fund.

2. Approve the SFRA budget as amended and approve the issuance of SFRA bonds not to exceed $60,000,000 (File 01-1060).

Department: Red - San Francisco Redevelopment Agency

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savi
	Administrative Budget				$3,141,963	$3,083,781	*
	*Reduce to the Administrative Budget by the following specific recommendations.						
	Consultant Services				320,000	275,010	44,9
	Dues & Subscriptions				56,125	49,891	6,2
	Office Supplies				111,430	104,472	6,9
	Reduce to actual FY 2000-01 budget level adjusted by a cost of living factor of 3.0 percent.						
	Project Area / Program Budget						
	Art Center & Garden Operations				7,345,000	7,260,000	*
	* The recommended reduction to the Art Center & Garden Project Area budget is the total of the following specific project costs.						
	Studies & Miscellaneous Items				85,000	0	85,0
	Reduce budget level to $0 for FY 2001-02. The $100,000 budgeted in the current budget year has not been expended. Moreover, this project area is already estimated to be 85% complete in its redevelopment according to the SFRA.						
	Mid Market				953,000	753,000	*
	* The recommended reduction to the Mid Market Project Area budget is the total of the following specific project. costs.						
	Studies & Miscellaneous Items				175,000	75,000	100,0
	Reduce budget level for Studies & Miscellaneous Items because the Department has not sufficiently justified the proposed use of the full amount of General Fund supported expenditure requested.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2001-02

---

partment: Red - San Francisco Redevelopment Agency

			Position/ Equipment	Number		Amount		
age No.	Object		Number	From	To	From	To	Savings
		Business Development				150,000	50,000	100,000
		Reduce budget level for Studies & Miscellaneous Items because the Department has not sufficiently justified proposed use of the full amount of General Fund supported expenditure requested.						
		Rincon Point - South Beach				10,771,000	10,646,000	*
		* The recommended reduction to the Rincon Point - South Beach Project Area budget is the total of the following specific project costs.						
		Studies & Miscellaneous Items				125,000	0	125,000
		Reduce to zero in FY 2001-02. According to the Department, this project area is already estimated to be 87% complete in its redevelopment. In FY 2000-01, $75,000 was budgeted.						
		Total Recommended Reductions						$468,182

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department: CAP - CAPITAL AND FACILITY MAINTENANCE PROJECTS

Financial Data:

The FY 2001-2002 total City Capital and Facility Maintenance Projects proposed $629,596,000 budget is $313,651,356 or 99.3 percent more than the original FY 2000-01 budget of $315,944,644 as detailed in the table below.

2001-02 Mayor's Recommended Budget - Capital Projects and Facilities Maintenance

Department	2000-01 Orginial	2000-01 Revised	2001-02 Mayor's Recommended	Increase / Decrease from Original
Administrative Services	$ 2,350,000	$ 2,314,000	$ 39,035,000	$ 36,685,000
Admin Services - Consumer Assurance	-	-	115,000	115,000
Airport	9,559,132	6,397,176	67,600,000	58,040,868
Admin Services - Animal Care & Control	10,000	10,000	10,000	-
Art Commission	144,600	189,450	310,000	165,400
City Attorney	-	148,000	-	-
Admin Services - Convention Facilities	14,965,000	14,965,000	29,556,424	14,591,424
City Planning	1,042,167	1,042,167	-	(1,042,167)
Trial Courts	751,000	751,000	56,000	(695,000)
Clean Water	22,000,100	18,752,839	34,650,000	12,649,900
Department of Building Inspection	2,368,367	2,368,367	-	(2,368,367)
Municipal Transportation Agency	2,375,000	3,732,500	400,000	(1,975,000)
Department of Public Works	6,234,262	14,620,855	22,379,541	16,145,279
Human Services	730,796	730,796	578,043	(152,753)
Emergency Communications	734,525	734,525	-	(734,525)
Business & Economic Development	7,000,000	7,000,000	-	(7,000,000)
Fine Arts Museum	75,000	75,000	50,000	(25,000)
Fire Department	5,157,736	4,903,736	2,184,816	(2,972,920)
Community Health Network	10,885,187	10,963,143	37,950,297	27,065,110
Hetch Hetchy	19,160,000	15,797,409	38,155,000	18,995,000
Public Health	100,000	100,000	120,000	20,000
Juvenile Probation	5,650,094	5,039,374	7,330,000	1,679,906
Public Library	990,000	771,235	24,289,370	23,299,370
Mayor	5,146,512	5,146,512	5,967,397	820,885
Police	110,000	(383,773)	110,000	-
PORT	8,069,652	1,465,370	32,962,342	24,892,690
Parking & Traffic	7,286,423	7,367,906	2,775,287	(4,511,136)
Public Utilities Commission	-	80,204,134	-	-
Recreation & Park	45,680,892	45,162,436	55,492,033	9,811,141
Elections	-	(540,556)	-	-
Academy of Sciences	100,000	100,000	155,000	55,000
Sheriff	3,626,999	3,501,499	550,000	(3,076,999)
Telecommunication & Information Svcs.	1,000,000	1,034,922	1,347,000	347,000
War Memorial	1,560,500	2,078,151	1,800,000	239,500
Water Department	131,080,700	50,156,767	223,667,450	92,586,750
	$ 315,944,644	$ 306,699,940	$ 629,596,000	$ 313,651,356

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2001-02

Department/Division: CAP - CAPITAL AND FACILITY MAINTENANCE PROJECTS

Description:

1. The Capital Improvement Advisory Committee (CIAC) prioritized funding requests from the departments into the following categories:

101	Continuing Projects
102	Security, Life-Safety and Health
103	Exterior Preservation-Cost Avoidance
104	Property Protection-Cost Avoidance
105	Mechanical/Electrical-Cost Avoidance
106	Preservation of Interiors-Cost Avoidance
107	Preservation of Structures
108	Improvement of Building Systems/Components
109	Improvement of Working Conditions
110	Maintenance/Improvement of Facilities Appearance
111	New Facilities

2. Overall, the total proposed Capital budget of $313,651,356 is made up of major increases in facilities maintenance and capital projects due to bond funded projects, including increases of $36.7 million for Administrative Services for the acquisition of the 30 Van Ness building, $58.0 million in Airport bond funded projects, $12.6 million in Clean Water projects, $16.15 million in DPW Capital appropriations, an increase of $27.0 million in the Community Health Network for the Laguna Honda Replacement Project, funded from Tobacco Settlement Funds, $19.0 million in Hetch Hetchy from bond proceeds, $92.6 million in the Water Department from bond proceeds, $23.3 million for bond funded Library projects and $9.8 million for Recreation and Park bond funded projects.

3. The FY 2001-2002 total General Fund Capital and Facility Maintenance Projects proposed $42,052,687 budget is $11,229,292 or 36.4 percent more than the original FY 2000-01 budget of $30,823,395 as detailed in the table on the following page.

Department/Division: CAP - CAPITAL AND FACILITY MAINTENANCE PROJECTS

General Fund Departments – Capital and Facility Maintenance Budget Comparison

Department Name	2000-01 Orginial	2000-01 Revised	2001-02 Mayor's Recommended	Increase / Decrease from Original
Administrative Services	$ 2,350,000	$ 2,314,000	$ 3,300,000	$ 950,000
Admin Services - Consumer Assurance	-	-	115,000	115,000
Admin Services - Animal Care & Control	10,000	10,000	10,000	-
Art Commission	144,600	144,600	310,000	165,400
Admin Services - Convention Facilities	50,000	50,000	500,000	450,000
City Planning	1,042,167	1,042,167	-	(1,042,167)
Trial Courts	36,000	36,000	56,000	20,000
Department of Public Works	4,150,837	4,748,701	14,306,541	10,155,704
Human Services	397,322	397,322	578,043	180,721
Emergency Communications	734,525	734,525	-	(734,525)
Business & Economic Development	7,000,000	7,000,000	-	(7,000,000)
Fine Arts Museum	75,000	75,000	50,000	(25,000)
Fire Department	1,232,016	978,016	2,184,816	952,800
Community Health Network	904,000	894,000	5,275,000	4,371,000
Public Health	100,000	100,000	120,000	20,000
Juvenile Probation	5,650,094	5,039,374	7,330,000	1,679,906
Police	110,000	(383,475)	110,000	-
Parking & Traffic	511,240	507,376	2,505,287	1,994,047
Recreation & Park	3,300,000	2,998,093	3,250,000	(50,000)
Elections	-	(540,556)	-	-
Academy of Sciences	100,000	100,000	155,000	55,000
Sheriff	1,925,594	1,800,094	550,000	(1,375,594)
Telecommunication & Information Svcs.	1,000,000	1,000,000	1,347,000	347,000
Total	$ 30,823,395	$ 29,045,237	$ 42,052,687	$ 11,229,292

Recommendations:

None.

F
90.25
/
/4, 11/01
canceled

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETINGS

FINANCE COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meetings of the Finance Committee scheduled for Wednesday, July 4 and July 11, 2001, at 10:00 a.m., at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, have been **cancelled**.

Gloria L. Young, Clerk of the Board

7-02-01A10:50 RCVD

FINANCE COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

41 Library
100 Larkin Street Govt Information Center

.25

8/01

City and County of San Francisco
Meeting Minutes
Finance Committee

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, July 18, 2001 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

Meeting Convened

The meeting convened at 10:08 a.m.

011103 **[Revenue Bond Election]**

Supervisors Leno, Maxwell, McGoldrick, Peskin, Daly, Newsom, Gonzalez

Resolution calling and providing for a Special Election to be held in the City and County of San Francisco for the purpose of submitting to the qualified voters of said City and County on November 6, 2001 a proposition for the issuance of revenue bonds by the Public Utilities Commission of the City and County of San Francisco in a principal amount not to exceed $100,000,000 to finance the acquisition, construction, rehabilitation, installation and/or improvement of solar energy facilities and equipment, energy conservation facilities and equipment and/or renewable energy facilities and equipment; consolidating said Special Election with the General Municipal Election to be held on November 6, 2001; and finding the proposed project is in conformity with the priority of Planning Code Section 101.1(b) and the City's General Plan.

(Fiscal impact.)

6/11/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 7/11/2001.

Heard in Committee. Speakers: Supervisor Leno; Harvey Rose, Budget Analyst; Ed Smeloff, Director, Public Utilities Commission; Supervisor Gonzalez; Supervisor Peskin; Mark Westlund, Department of Environment; Terri Forman, Bay COEJL; Mac Moore, BP Solar; Linda Weiner, American Lung Association; Allison Brooks, Neighborhood Parks Council; Zac Helmberger, Solahart SanMartin; Elisa Lynch, Bluewater Network; Heather Mulligan, U.S. Department of Energy; Alana Mitnick, Baykeeper; David Graves, Kids and Parks; Kevin McGahan, Our Children's Earth; Gretchen Cotter; William Wilson; Tim Colen; Craig Stevens, Solarbuzz Inc.; Greg Rosen, Powerlight Corporation; Catherine Powell, Gray Panthers; Peter Vaernet, Oceanview Neighbors; Kristin Casper, Greenpeace; Toby Barlow; Kari Smith, Powerlight; Kimia Mizany, Union of Concerned Scientists; Wallace McOuat, HMH Resources, Inc.; Adam Browning; Christopher Wilson, Richmond Neighborhood Coalition; Milton Nogueira, Solar Depot; Sally Wilson; Doug Lenny; Lilly Okamura, Planning and Conservation League; Nan McGuire; Kirk Wrede; C. D. Shrack, Greenpeace; Kenneth Folan; Ted Lakey, Deputy City Attorney.

7/18/01, Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

DOCUMENTS DEPT.
JUL 2 3 2001
SAN FRANCISCO
PUBLIC LIBRARY

Resolution calling and providing for a Special Election to be held in the City and County of San Francisco for the purpose of submitting to the qualified voters of said City and County on November 6, 2001 a proposition for the issuance of revenue bonds and/or other forms of revenue financing by the City and County of San Francisco (or one of its agencies, departments or enterprises) in a principal amount not to exceed $100,000,000 to finance the acquisition, construction, rehabilitation, installation and/or improvement of solar energy facilities and equipment, energy conservation facilities and equipment and/or renewable energy facilities and equipment; consolidating said Special Election with the General Municipal Election to be held on November 6, 2001; and finding the proposed project is in conformity with the priority of Planning Code Section 101.1(b) and the City's General Plan.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

Note: It is the intention of the Chair to entertain a motion to continue consideration of the following item, File 010867, to the Call of the Chair.

010867 **[Outreach Advertising]**

Resolution designating the China Press to be outreach newspaper of the City and County of San Francisco for the Chinese community, and designating El Mensajero to be outreach newspaper of the City and County of San Francisco for the Hispanic community, for outreach advertising for the fiscal year commencing July 1, 2001 and ending June 30, 2002. (Purchaser)

5/9/01, RECEIVED AND ASSIGNED to Finance Committee.

5/14/01, SUBSTITUTED. Purchasing Department submitted a substitute resolution bearing new title.

5/14/01, ASSIGNED to Finance Committee.

5/30/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Ward, Assistant Director of Purchasing, Purchasing Department; Carmen Ruiz, owner of El Latino Newspaper; Marvin Ramirez, publisher of El Reportero; Jose Del Castillo, publisher and owner of El Mensajaro; Clementina Garcia; America Soler-Everhart; Sylvia Sandoval; Pedro Morales, reporter for El Reportero; Julio Ramos; Luis Espinoza, Purchasing Department.
Continued to 7/11/01.
7/13/01, THE MEETING OF JULY 11 WAS CANCELLED.

CONTINUED TO CALL OF THE CHAIR by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

010826 **[Business Tax and Regulations Code Amendment]**

Supervisor Leno

Ordinance amending the Business Tax and Regulations Code by:
(1) amending Sections 6.12-1, 6.18-1, and 6.18-3, and repealing Section 6.19-3, to clarify general administrative provisions of Article 6;
(2) adding Sections 6.19-3 through 6.19-11, to establish a system of administrative penalties for specified violations of the Business Tax and Regulations Code;
(3) adding new Sections 852.8 and 852.9, re-numbering existing Sections 852.8 and 852.9 as Sections 852.10 and 852.11, respectively, and amending Section 856, to consolidate the deadlines for renewing business registration certificates and filing annual tax returns;
(4) amending Section 905-A, to create a graduated system of fines for persons who qualify for the small business exemption but fail to file a timely return; and,
(5) amending Section 6.6-1, to provide that a parking lot operator is considered liable for collection of parking taxes at a location covered by his or her certificate of authority unless and until the certificate is surrendered to the Tax Collector. (Treasurer-Tax Collector)

5/2/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 6/6/2001.
7/9/01, SUBSTITUTED. Supervisor Leno submitted a substitute ordinance bearing new title.
7/9/01, ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Peskin; Susan Leal, Treasurer; Supervisor Gonzalez; George Putris, Tax Administrator; Dorji Roberts, Deputy City Attorney; Ted Lakey, Deputy City Attorney; Alex Cline.
7/18/01, Amendment of the Whole

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

To Board July 30, 2001.

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011092 **[In-Home Supportive Services Contract]**

Resolution approving the contract between the City and County of San Francisco and the IHSS Consortium of San Francisco for the provision of In-Home Supportive Services for the period from July 1, 2001 to June 30, 2004, in the amount of $29,214,373. (Human Services Department)

(Fiscal impact.)

6/6/01, RECEIVED AND ASSIGNED to Economic Vitality, Small Business and Social Policy Committee.
6/19/01, REFERRED WITHOUT RECOMMENDATION to Finance Committee. Heard in committee. Speakers: Dave Curto, Department of Human Services; Ted Lakey, Deputy City Attorney.
6/19/01 Referred to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Leno; David Curto, Director of Contracts, Department of Human Services.
7/18/01, Amended to provide retroactivity; new title.

AMENDED.

Resolution retroactively approving the contract between the City and County of San Francisco and the IHSS Consortium of San Francisco for the provision of In-Home Supportive Services for the period from July 1, 2001 to June 30, 2004, in the amount of $29,214,373. (Human Services Department)

(Fiscal impact.)

RECOMMENDED AS AMENDED.. by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011188 [Contracting out Parking Management Services for S.F. International Airport]

Resolution approving the Controller's certification that Parking Management Services for San Francisco International Airport can practically be performed by private contractor at a lower cost for the year commencing July 1, 2001 than if work were performed by City employees at budgeted levels. (Airport Commission)

6/20/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Kathy Wagner, Airport.

RECOMMENDED.. by the following vote:

Ayes: 2 - Leno, Gonzalez
Absent: 1 - Peskin

011149 [Contracting out Budget Analyst Services]

Resolution concurring with the controller's certification that Budget Analyst services can be practically performed by private contractor for lower cost than similar work services performed by city and county employees. (Clerk of the Board)

6/18/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Gloria Young, Clerk of the Board; John Bardis.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011220 [Fiscal Year 2001-2002 Patient Rates for the Department of Public Health]

Ordinance amending the San Francisco Health Code by amending Section 128 thereof, to fix Patient Rates for services furnished by Department of Public Health, effective July 1, 2001. (Public Health Department)

6/27/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Financial Officer, Department of Public Health.

7/18/01, Amended on page 1, line 5 to delete "effective" and insert "retroactive to"; new title.

RECOMMENDED.

Ordinance amending the San Francisco Health Code by amending Section 128 thereof, to fix Patient Rates for services furnished by Department of Public Health, retroactive to July 1, 2001. (Public Health Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011009 [Booz-Allen Hamilton Contract]

Resolution approving the incentive fee amount of $409,901 for the Booz-Allen & Hamilton contract (CS-128) for Muni Metro service improvements for payment of incentive fees under San Francisco Municipal Railway Contract No. CS-128 with Booz Allen & Hamilton and authorizing the release of $239,126 currently held in reserve. (Municipal Transportation Agency)

(Fiscal impact.)

5/29/01, RECEIVED AND ASSIGNED to Finance Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010881 **[Sewer Service Charges, Fiscal Year 2001-2002]**

Mayor

Ordinance adopting and imposing schedules of sewer service charges to be paid by users for fiscal year 2001-2002 pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code). (Mayor)

(Transmittal date 5/29/01.)

5/29/01, SCHEDULED FOR PUBLIC HEARING. Scheduled for public hearing before Board on June 25, at 3:00 p.m.

6/25/01, PASSED ON FIRST READING.

7/2/01, REFERRED. Supervisor McGoldrick moved to refer this item to Committee.

This item must be acted upon by August 29, 2001, by the Board of Supervisors.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Leno; Supervisor Gonzalez; Supervisor McGoldrick; Catherine Garza, Supervisor Newsom's Aide; Supervisor Peskin; Ted Lakey, Deputy City Attorney; John Bardis.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 2:10 p.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

0·25
8/01

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 18, 2001

DOCUMENTS DEPT.
JUL 17 2001
SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: July 18, 2001 Finance Committee Meeting

Item 1 – File 01-1103

Department: Public Utilities Commission (PUC)

Proposed Ballot Measure: Resolution calling for a Special Election in the City and County of San Francisco on Tuesday November 6, 2001 placing before the voters a proposition for the issuance of Revenue Bonds by the Public Utilities Commission of the City and County of San Francisco not to exceed $100,000,000 to finance the acquisition, construction, rehabilitation and/or improvement of solar energy facilities and energy conservation facilities and equipment and/or renewable energy facilities and equipment.

Description: The proposed resolution places before the voters a ballot measure that would provide for a Special Election and consolidate it with the General Election of November 6, 2001 in order to request voters to approve the issuance of Revenue Bonds not to exceed $100,000,000 by the PUC for the acquisition, construction, rehabilitation and/or improvement of solar energy facilities and energy conservation facilities and equipment and/or renewable energy facilities and equipment.

Approval of the proposed resolution would be based on a simple majority of the voters. If, at the time of the Special Election, a majority of voters approve the subject Revenue Bonds, the Bonds may be issued and sold for the purposes set forth in the resolution. The Bonds would be Revenue Bonds issued by the PUC and payable from and secured by a lien on the revenues of the Hetch Hetcy Enterprise[1] and such other funds as may be legally available and pledged for such purpose. Additionally, the Hetch Hetchy Enterprise would be responsible for (a) implementing and managing the program if approved by the voters; (b) designing and constructing the projects and (c) working with City departments to develop a mix of projects that would yield a net cost less than or equal to the avoided cost of purchasing retail electric power. A special facility charge would be levied on City departments benefiting from these projects to pay debt service on the proposed Revenue Bonds (See Comment No. 4). If approved, the $100,000,000 in Revenue Bonds would finance the installation of approximately 10 to 15 megawatts of photovoltaic panels[2] and approximately 126,000,000 kilowatts of wind energy on City facilities.

Sources and Uses of Bond Proceeds:

The Budget Analyst notes that if the proposed proposition is approved by the electorate, the debt issuance costs for the proposed $100,000,000 in Revenue Bonds will vary depending on the size of the initial issuance and all subsequent bond sales, the prevailing interest rate at the time of sale and the timing of the bond sale. The proposed resolution limits the interest rate to be charged on the proposed $100,000,000 in Revenue Bonds to no more than

---

[1] The Hetch Hetchy Enterprise is comprised of a series of power generation assets that generate and distribute power for the City and County of San Francisco, and for Hetch Hetchy's customers under contracts to purchase power.

[2] Photovoltaic panels convert sunlight directly into electricity. A megawatt is equal to 1,000 kilowatts of electricity and is sufficient to provide electric power to 10,000 homes.

12 percent (See Comment No. 2). Other specific provisions of the proposed bond sale are to be structured based on future determinations of cost effectiveness (see Comment No. 7). Attachment I to this report provided by the Mayor's Office of Public Finance assumes a total of two debt issuances and details the aggregate expenditure rate by project type (solar, wind, and energy efficiency projects). Additionally, the PUC notes that the timing of subsequent debt issuance would depend on the status of proposed projects. The following table is a summary of the proposed sources and uses.

Summary of Proposed Sources and Uses

Sources	
Bond Proceeds	$100,000,000
Total Sources	$100,000,000
Uses	
Solar Project Fund	$50,000,000
Wind Project Fund	30,000,000
Energy Efficiency Project Fund	2,040,000
Reserve Fund	8,251,025
Capitalized Interest	8,198,080
Costs of Issuance	800,000
Underwriter's Discount	700,000
Rounding	10,895
Total Uses	$100,000,000

Comments:

1. The Hetch Hetchy Enterprise has never previously issued bonds and therefore does not currently have any bonded indebtedness. According to Ms. Laurie Park of the PUC, a final determination of how this proposed assumption of debt would impact the Hetch Hetchy Enterprise's future ability to finance capital projects through the issuance of Revenue Bonds has not been made. Typically, the Hetch Hetchy Enterprise has used cash on hand or reserves to finance its capital improvement projects.

2. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the proposed bonds are estimated to bear interest at a rate of 6.5 percent over the

estimated 25-year life of the bonds. Ms. Hollenbeck notes that, depending on the status of the projects to be funded, there would be separate bond issuances of various amounts for the total amount of $100,000,000 of Revenue Bonds. Also, Ms. Hollenbeck notes that depending upon the useful life of the assets being financed, the term of the bonds may be longer or shorter than 25 years, which would effect the annual debt service projections. Based on the project costs and schedules currently estimated by the PUC, upon issuance of the entire $100,000,000 Revenue Bonds, the Hetch Hetchy Enterprise's average annual debt service over 25 years would be approximately $8,259,583. Total debt service payments including $100,000,000 in principal and $103,094,821 in interest, would be $203,094,821. Attachment I to this report provided by the Mayor's Office of Public Finance details the aggregate annual debt service for the $100,000,000 in Revenue Bond proceeds.

3. According to Ms. Park, the estimates in Attachment I are based on conservative cost projections because they exclude other possible funding sources from the Federal Government or the State that may further subsidize the proposed program and reduce the City's debt service costs.[3] Additionally, Ms. Park states that the program costs could be further offset depending on the mix of projects selected and the additional benefits of energy conservation retrofit projects. Attachment II provided by the PUC describes alternative assumptions that would affect cost projections and additional funding sources from the State and the Federal governments that will be considered in evaluating future projects to be funded if the proposed Revenue Bonds are approved.

4. The debt service for the proposed $100,000,0000 in Revenue Bonds would be paid from allowable special facilities charges levied on City departments participating

---

[3] This program could benefit from the state's Renewables Buydown Program administered by the California Energy Commission. Under this program, subsidies of up to 50 percent of projects costing less than $10,000,000 might be attainable. Existing State legislation would have to be amended to permit the City to participate in this subsidy program.

in the program. The Hetch Hetchy Enterprise would add a "special facilities fee" to the power bills submitted to City departments which benefit from the solar, wind and energy efficiency projects.[4] According to Ms. Park, a final decision as to how the debt issuance would be structured has not yet been made. Additionally, Ms. Park notes that under an alternative approach, Hetch Hetchy Enterprise could fund the Revenue Bond debt service cost from all Hetch Hetchy Enterprise revenues; therefore not limiting cost recovery to the revenues derived from the projects funded by the bond proceeds.

5. The PUC has not yet identified the specific projects to be financed with the Revenue Bond proceeds. Ms. Park states that implementing this program could enable the City to realize savings as a result of the avoided costs associated with the purchase of wholesale power because the power that would be generated by the installation of on-site photovoltaic panels and energy efficiency measures could, in the future, be cost effective in comparison to the cost of purchasing wholesale power from other sources. According to Ms. Park, the City's General Fund departments purchase power from the Hetch Hetchy Enterprise at an average cost of 3.75 cents per kilowatt hour, and Enterprise Fund departments (such as the Port and the Airport) pay approximately 12 to 15 cents per kilowatt hour (see Comment No. 6). The projects being considered would generate power at a cost of approximately 10 cents per kilowatt hour, through a combination of on-site power generation with photovoltaic panels and energy conservation. This cost of 10 cents per kilowatt hour might be reduced by additional subsidies from State and Federal funding sources. Additionally, the 10 cents per kilowatt hour cost might prove to be lower than the prevailing costs in the retail power market in the future. Ms. Parks further notes that on-site generation with photovoltaic panels would further reduce the average costs of power generation by reducing the amount of

---

[4] Under present utility practice, a utility is entitled to assess a "special facilities fee" and collect the incremental costs of facilities installed to serve a customer through an annual charge which includes all costs, including capital operating cost of money, profit and lifetime repairs and replacements.

power that is commonly loss through the act of transmission. Additionally, Ms. Park states that actual generation costs will vary by project depending on the size of the individual projects.

6. Ms. Parks further states that in no case shall City departments be required to pay a special facility fee if the fee would be greater than the rates such departments would pay for power under the rates they would otherwise be charged by Hetch Hetchy in the absence of such Revenue Bond funded projects. The Budget Analyst has been informed by the Office of the Sponsor of this legislation that an amendment will be introduced at the July 18, 2001 Finance Committee meeting that clearly state that it is the intent of the proposed ballot measure that City Departments would not have to pay more for power produced by the Revenue Bond funded projects than they would otherwise pay for other sources of power provided by Hetch Hetchy.

7. If the electorate approves the proposed issuance of $100,000,000 in Revenue Bonds, the subsequent sale of such bonds would require approval by the Board of Supervisors. Furthermore, expenditure of the proceeds of the proposed Revenue Bonds would require separate appropriation approval by the Board of Supervisors. According to Ms. Park, specific projects with clear costs and economic benefits will be developed prior to any request for sale of the Revenue Bonds and any request for appropriation approval by the Board of Supervisors.

Recommendation: Approval of this proposed resolution is a policy matter for the Board of Supervisors.

Attachment I

$100M Solar Bond Initiative
Estimated Aggregate Annual Debt Service

Fiscal Year Ending	Solar Phase 1 Annual Debt Service *	Solar Phase 2 Annual Debt Service *	Wind Project Annual Debt Service*	EE Project** Annual Debt Service *	Total Annual Debt Service *
2003	$ -	$ -	$ -	$ -	$ -
2004	-	-	977,463	60,045	1,037,508
2005	2,016,625	-	2,884,425	345,150	5,246,200
2006	2,524,563	2,524,563	2,884,125	338,813	8,272,063
2007	2,524,300	2,524,300	2,886,063	340,650	8,275,313
2008	2,526,600	2,526,600	2,880,238	341,513	8,274,950
2009	2,521,463	2,521,463	2,881,488	341,400	8,265,813
2010	2,523,725	2,523,725	2,879,488	340,313	8,267,250
2011	2,518,225	2,518,225	2,879,075	338,250	8,253,775
2012	2,519,800	2,519,800	2,875,088	335,213	8,249,900
2013	2,518,125	2,518,125	2,872,363	336,038	8,244,650
2014	2,513,200	2,513,200	2,870,575	335,563	8,232,538
2015	2,514,700	2,514,700	2,869,400	-	7,898,800
2016	2,512,300	2,512,300	2,868,513	-	7,893,113
2017	2,510,838	2,510,838	2,862,750	-	7,884,425
2018	2,505,150	2,505,150	2,861,788	-	7,872,088
2019	2,504,913	2,504,913	2,860,138	-	7,869,963
2020	2,504,638	2,504,638	2,857,475	-	7,866,750
2021	2,499,163	2,499,163	2,853,475	-	7,851,800
2022	2,498,163	2,498,163	2,847,813	-	7,844,138
2023	2,491,313	2,491,313	2,845,000	-	7,827,625
2024	2,488,288	2,488,288	2,839,550	-	7,816,125
2025	2,488,438	2,488,438	2,835,975	-	7,812,850
2026	2,481,438	2,481,438	2,833,625	-	7,796,500
2027	2,476,963	2,476,963	2,827,013	-	7,780,938
2028	2,474,363	2,474,363	2,820,650	-	7,769,375
2029	2,468,150	2,468,150	2,818,725	-	7,755,025
2030	2,467,675	2,467,675	-	-	4,935,350
Total	$ 64,593,113	$ 62,576,488	$ 72,472,276	$ 3,452,945	$ 203,094,821

Estimates based upon project cost and schedule assumptions provided by Hetch Hetchy.

---

* Debt service net of capitalized interest.

** Energy Efficiency projects.

SFPUC

WATER
HETCH HETCHY
WATER & POWER
CLEAN WATER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 MARKET ST., 4TH FLOOR, SAN FRANCISCO, CA 94103 • TEL (415) 554-0725 • FAX (415) 554-0796

WILLIE L. BROWN, JR.
MAYOR

PRESIDENT
VICTOR G. MAKRAS
VICE PRESIDENT
ANN MOLLER CAEN
E. DENNIS NORMANDY
FRANK L. COOK
ASHOK KUMAR BHATT

STEVEN D. LEONARD
ACTING GENERAL
MANAGER

MEMORANDUM

TO: Board Budget Analyst - Pascal St. Gerard

FROM: Hetch Hetchy - Laurie Park LPark

SUBJECT: Solar Bond Initiative [File 01-1103]

DATE: July 12, 2001

The purpose of this memorandum is to respond to questions raised by the Budget Analyst with respect to Supervisor Leno's proposed Solar Bond Initiative.

1. *The Solar Bond Initiative does not identify any specific projects. What process does the SFPUC/Hetch Hetchy intend to employ to assure that economic decisions are made with respect to projects funded with proceeds from the Solar Bond?*

   Hetch Hetchy is presently evaluating the solar (photovoltaic, or "PV") potential of City facilities and City lands. We are in the process of hiring a contractor to install radiometers that will accurately characterize the solar resource throughout the City so as to identify the sites with the greatest PV development potential. Concurrently, we are evaluating the amount of surface area suitable for PV development on a facility specific basis. We plan to first group facilities by type and then issue Requests for Proposals to evaluate project economics. Once these cost/benefit evaluations are performed, Hetch Hetchy would rank the project opportunities and select the most economic options for priority development.

2. *Why does the proposal include energy efficiency and other renewables?*

   Presently, the unsubsidized cost of PV is relatively high when compared to other types of renewable energy or energy efficiency projects. For this and other reasons, a common practice in the industry is to seek comprehensive facility solutions that blend renewables and energy efficiency into a single integrated package. This has the effect of reducing the average cost of energy produced or saved by these types of projects to levels that are competitive with retail rates. Inasmuch as Hetch Hetchy is presently evaluating the wind resource potential on City watershed lands, we have considered a modest (30 MW) wind farm in the illustrative project mix.

3. ***General Fund departments pay much lower rates than Enterprise Fund Departments. Would their costs of electric service increase under this program?***

   No. The premise under this program is that Hetch Hetchy will identify and rank project opportunities. City departments will then have an opportunity to choose whether they wish to participate. If a City department chooses not to participate due to economic considerations but Hetch Hetchy believes the project opportunity to be beneficial for the City, Hetch Hetchy can step into the role of owner/operator of the proposed project. Under such a scenario, Hetch Hetchy would continue selling power to the City department at established Hetch Hetchy rates applicable to that type of customer or facility. The PV project would be separately metered to track the amount of electric production. The electricity produced would be incorporated into Hetch Hetchy's energy supply portfolio, and the costs attributable to that project would be factored into Hetch Hetchy's average cost of wholesale power.

4. ***What are the assumptions underlying the cost of projects under this program?***

   Since the specific projects to be constructed by this proposed initiative have not yet been identified, we have applied industry-standard costs for "typical" PV, wind and energy efficiency projects to produce an illustrative mix of projects which could be constructed. Actual project costs and economics will depend upon site specific characteristics.

   PV. The Sacramento Municipal Utility District (SMUD) has documented an average cost of installed PV of $5.35/watt. SMUD and others have also documented that the cost of PV has declined significantly over the past 10 years. The industry predicts that as a result of scale economies in production, costs will decline even further over the next 10 years as demand for PV technology increases. For purposes of the illustrative project mix, we assumed an average cost of installed PV of $5.50/watt. We further assumed a modest 10% subsidy from the federal government, bringing the installed cost down to a net of approximately $5.00/watt. Operating and capital costs were estimated based upon SMUD experience.

   Wind. For wind projects, we relied upon detailed analyses conducted of a planned 50-85 MW wind farm at Altamont which had an average cost of $1 million per megawatt of installed capacity. For purposes of this illustration, we have estimated operating costs at approximately $0.01/kWhr.

   Energy Efficiency. Energy efficiency projects have a wide range of costs, benefits and useful lives. For illustrative purposes, we relied upon a composite of actual energy efficiency projects that Hetch Hetchy is presently seeking to finance. These projects indicate an approximate average benefit of 2 kWhrs saved per year for every $1 invested. Project lives vary from about 10 to 15 years. For purposes of this illustration, we assumed a 12 year average life.

We believe that these assumptions are reasonable and have a sound basis since they are based on actual project experience and analyses. These are also conservative in that consideration of federal and state subsidies and grants have been kept to a minimal level. Presently, there is very strong nationwide support for these types of projects at a policy level. As a result, there are a variety of federal and state grants and subsidies for which Hetch Hetchy can apply to leverage the funds provided by the proposed initiative to the greatest extent possible. Potential sources of additional funds include the following:

a. Federal Renewable Electricity Production Incentive (REPI), 1.7 cents/kWhr
b. Federal tax credits for private developers of renewables
c. State production tax credits through the Renewable Resources Trust Account and other programs
d. State funds made available through the recent Extraordinary Session to support energy efficiency and renewables projects (e.g., AB1970, SB5X and AB29X)

In addition to potential federal and state grants and subsidies, Hetch Hetchy belongs to industry associations that administer Research and Development and other funds which support renewables and energy efficiency. One such industry association is the Electric Power Research Institute (EPRI). We are presently discussing opportunities for EPRI participation in City projects.

Item 2 – File 01-0867

Note: This item was continued by the Finance Committee at its meeting of May 30, 2001.

Department: Department of Administrative Services, Purchasing Division

Items: Resolution designating the China Press to be the outreach newspaper of the City and County of San Francisco for the Chinese community, and designating El Mensajero to be the outreach newspaper of the City and County of San Francisco for the Hispanic community for Fiscal Year 2001-2002.

Description: Proposition J, which was approved by San Francisco voters in November of 1994, provided, in part, for an Outreach Advertising Fund to be established for the purpose of the City placing "outreach advertising" or weekly notices of items pertaining to governmental operations in periodicals selected to reflect the diversity in race and sexual orientation of the population of the City. Outreach advertisements include, but are not limited to, information about issues that are being reviewed by the Board of Supervisors and that directly affect the public. Pursuant to Proposition J and in accordance with Section 2.81-2(a) of the Administrative Code, the City is required to withhold 10 percent of the annual amounts paid for the City's Type 1 and Type 2 official advertising and to deposit these monies into the Outreach Advertising Fund.

The City's official advertising is divided into two categories:

Type 1 – Advertisements for Two or More Consecutive Days: Official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.103 of the Charter for special meetings of the Board of Supervisors and its standing or special committees. The official newspaper must publish at least 5 days a week for Type 1 official advertising.

Type 2 – Advertisements for Single or Non-consecutive Days: Official advertising, which must be published one time (other than one-time advertising related to special meetings for the Board of Supervisors and its standing and/or special committees) or more than one time but not more than three times per week for a specified number of weeks. The official newspaper must publish at least 3 days a week for Type 2 official advertising.

The Purchasing Division estimates that the Fiscal Year (FY) 2001-2002 cost for Type 1 (estimated at $46,200 based on FY 2000-2001 data) and Type 2 ($1,305,878) official advertising would total $1,352,078. Therefore, the estimated amount available for the Outreach Advertising Fund in FY 2001-2002 based on 10 percent of Type 1 and Type 2 official advertising is approximately $135,208. Ms. Victoria Santos of the Controller's Office advises that there is a balance of approximately $98,632 in the Outreach Advertising Fund as of May 23, 2001. According to Ms. Santos, any remaining balance in the Outreach Advertising Fund at the end of FY 2000-2001 will carryover to the FY 2001-2002 Outreach Advertising Fund.

Comments:

1. Since the passage of Proposition J, approved by the voters in November of 1994, bid prices are only one of several factors evaluated and considered when determining the designated outreach newspapers. Proposition J requires the Purchasing Division to recommend to the Board of Supervisors the newspapers with the highest total point scores. According to the Purchasing Division, the China Press received the highest score of the three bids from newspapers seeking to provide outreach advertising to the Chinese community. The Purchasing Division reports that El Mensajero was the only responsive bidder of the three bids from newspapers seeking to provide outreach advertising to the Hispanic Community. The Attachment, provided by the Purchasing Division, contains bid data and point calculation information for the China Press and El Mensajero.

2. According to the Purchasing Division, both the China Press and El Mensajero fully comply with all City contracting requirements and qualify to be outreach advertising newspapers through the bidding process.

3. According to the Purchasing Division, it did not receive any bids from newspapers seeking to be the official

newspaper for Type 1 official advertising for FY 2001-2002. The Purchasing Division reports that it has presented to the Board of Supervisors six options for selecting a newspaper to provide Type 1 official advertising in a letter dated May 8, 2001. According to Mr. Mike Ward of the Purchasing Division, separate future legislation will be submitted to the Board of Supervisors to designate a newspaper as the City's newspaper for Type 1 official advertising. File 01-0866, also being considered by the Finance Committee on its calendar of May 30, 2001, would designate the San Francisco Independent as the official newspaper for Type 2 official advertising for FY 2001-2002.

4. The Purchasing Division reports that the City Attorney has advised that the Board of Supervisors need not accept the Purchasing Division's recommendations to award contracts to newspapers for outreach advertising and may designate any newspaper which is qualified under the Charter and the Administrative Code.

5. At the meeting of May 30, 2001 the Finance Committee requested the Purchasing Division to provide additional information regarding the selection of the outreach advertising newspapers, including the estimated cost if multiple contracts were awarded to newspapers serving the Chinese community and the Hispanic community. As of the writing of this report, the Purchasing Division has not yet provided the Budget Analyst with the additional information as requested by the Finance Committee concerning the selection of the outreach advertising newspapers. Mr. Luis Espinoza of the Purchasing Division requests that this proposed resolution be continued to the call of the Chair.

Recommendation: As requested by the Purchasing Division, continue the proposed resolution to the call of the Chair.

Attachment
Page 1 of 2

Bid Evaluation
(as per Contract Proposel No. 95305, Sec. 59)
Contract Proposal No. 95305
Outreach Advertising

	Bidder No. 1 China Press	Bidder No. 2 Bay View Inc	Bidder No. 3 Russian Life	Bidder No. 4 El Latino	Bidder No. 5 Mo Magazine	Bidder No. 6 Bay Area Reporter	Bidder No. 7 El Mensajero	Bidder No. 8 SF Bay Times	Bidder No. 9 AsianWeek	Bidder No. 10 Chinese Times
Advertising Price	11.40	6.15	14.25	4.35	15	3.75	2.40	2.40	6.15	12.15
Circulation	15.00	6.60	0.49	2.55	1.50	13.65	8.55	7.50	12.30	5.40
Newspaper Cost to Public	0	5	0	5	0	5	5	5	5	0
Local/Minority/Woman Ownership (Prop. J)										
Locally Owned/Operated	0	2	2	2	2	2	2	2	2	2
Minority Ownership	2	2	0	2	2	0	2	0	2	2
Women-Owned	0	0	0	2	0	0	0	2	2	0
Foreign Language Publication	5	0	5	5	5	0	5	0	0	5
MBE/WBE/LBE Chap. 12D	0	2.16	0	2.29	0	0	0	0	0	0
TOTAL POINT SCORE	33.40	23.93	18.74	25.19	25.50	24.40	24.95	18.90	29.45	26.55

Source: Purchasing Department

Attachment
Page 2 of 2

Late Bids			Bid Evaluation		
			(As per Contract Proposal No. 95305, Sec. 59)		
			Contract Proposal No. 95305		
			Outreach Advertising		
	Hokubei Mainichi		El Reportero		Spectrum
Advertising Price	2.85		4.95		14.70
Circulation	2.55		5.10		2.40
Newspaper Cost to Public	0		5		5
Local/Minority/Woman Ownership (Prop. J)					
Locally Owned/Operated			2		
Minority Ownership			2		
Woman-Owned					
Foreign Language Publication	5		5		0
MBE/WBE/LBE Chap. 12D	0		2.41		0
TOTAL POINT SCORE	10.40		26.46		22.10
Date Received	04/23/01		05/01/01		05/02/01

Source: Purchasing Department

Item 3 – File 01-0826

Department:	Treasurer and Tax Collector's Office (Tax Collector)
Item:	Ordinance amending the Business Tax and Regulations Code (Tax Code) to (1) clarify and make technical corrections to general administrative provisions of Article 6 pertaining to jeopardy determinations and summary judgements on any taxes which are delinquent to the City; (2) consolidate the deadline for renewing the Business Tax Registration Certificate with the filing of annual Payroll Tax return; (3) establish a system of administrative penalties and citations for violations thereof; (4) eliminate the automatic disqualification from the Small Business Tax Exemption for persons who fail to file a timely Payroll Tax return; (5) establish a graduated system of penalties for persons who would have otherwise qualified for the Small Business Tax Exemption but who fail to file a timely Payroll Tax return; and, (6) hold parking lot operators liable for Parking Taxes until the Certificate of Authority to collect such taxes is surrendered to the Tax Collector.
Description:	According to Tax Administrator George Putris, the purpose of the proposed ordinance is to (a) consolidate the filing deadline for the renewal of Business Tax Registration Certificates with the filing deadline for annual Payroll Tax returns; (b) create a graduated system of fines for persons who qualify for the Small Business Tax Exemption but who fail to file a timely Payroll Tax return; (c) strengthen the Certificate of Authority program by holding parking lot operators liable for the collection of Parking Taxes until the Certificate of Authority to collect Parking Taxes is surrendered to the Tax Collector; and, (d) establish a system of administrative penalties for specified violations of the Business Tax and Regulations Code. Mr. Putris states that the overall objective of this legislation is to increase compliance with the City's existing tax laws and reduce the burden on taxpayers by creating one filing deadline for the renewal of the Business Tax Registration Certificate and the filing of the annual Payroll Tax returns.

According to Mr. Dorji Roberts of the City Attorney's Office, the proposed ordinance amending the City's Business Tax and Regulations Code would:

- Amend Sections 6.12-1, 6.18-1, 6.18-2 and 6.18-3 to clarify administrative provisions and make technical corrections pertaining to jeopardy determinations[1] and summary judgements against the operator, taxpayer or other person determined to be liable for any unpaid taxes, penalties and interest.
- Add Sections 6.19-3 through 6.19-11 to establish a system of administrative penalties and citations for violations specified in Section 6.19-3.
- Add Section 852.8 to define a "Business Registration Transition Period" commencing on January 1, 2003 and ending on June 30, 2003 to accommodate the proposed change of the "Business Registration Year" from calendar year to the City's fiscal year (July 1 to June 30 of the subsequent calendar year) in order to consolidate the deadline for renewal of the Business Tax Registration Certificate with the filing of annual Payroll Tax returns.
- Renumber the Business Tax and Regulations Code (Tax Code) Section 852.8 as 852.10 and Tax Code Section 852.9 as 852.11 to accommodate the addition of two new definitions; "Business Transition Period" (January 1, 2003 to June 30, 2003) and the new "Business Registration Year" (July 1 to June 30 of the subsequent calendar year).
- Amend Section 856, Registration Certificate – Application and Issuance, to be consistent with the proposed change in the "Business Registration Year" from a calendar year to the City's fiscal year.
- Amend Section 905-A, Small Business Tax Exemption, to eliminate the automatic disqualification of the Small Business Tax Exemption for persons who file a late Payroll Tax return and establish a system of graduated

---

[1] Jeopardy determinations are determinations made by the Tax Collector that the collection of any tax due to the City is in jeopardy if collection of such taxes is delayed. The Tax Collector shall serve upon the person liable for the tax his or her determination of jeopardy, including the amount of tax due and demand immediate payment of the tax, interest and penalty determined to be due by the Tax Collector.

penalties based on the number of months the Payroll Tax return is late.

- Amend Section 6.6-1 to hold persons collecting third party taxes from consumers on behalf of the City, such as parking lot operators, liable for the third party taxes at all locations covered by the operator's Certificate of Authority[2] unless and until such certificate is surrendered to the Tax Collector.

Comments: Sections 6.19-3 through 6.19-11

1. According to Mr. Putris, the Tax Collector's Office proposes to establish an administrative penalty and citation system to assist the Tax Collector's Office in ensuring compliance with the Tax Code. Adding Sections 6.19-3 through 6.19-11 would establish a system for administrative penalties and citations for violations specified in Section 6.19-3 (see Comment 2). According to Mr. Putris, the costs for implementing the system would be negligible and would be absorbed in the Treasurer/Tax Collector's existing budget.

2. Section 6.19-3 would be a new section that sets the initial administrative citation penalty amount at $100 for the following violations of the Tax Code: (a) Failure to post a Certificate of Authority to Collect Third Party Taxes; (b) Failure to post the Annual Business Tax Registration Certificate; (c) Failure to show proof of a current permit issued by the Fire Department indicating compliance with the City's Fire Code; (d) Failure of an operator in the business of renting parking spaces in a parking facility to post a bond in order to receive a Certificate of Authority; (e) Failure to appear for a noticed hearing; (f) Failure to install, maintain in proper working condition, or use revenue control equipment as required at parking lots; (g) Failure to post a clear and conspicuous sign as required by law; (h) Failure to produce information requested by the Tax Collector within 30 days of the mailing of such request. Section 6.19-3 also establishes a $500 administrative penalty for the

---

[2] A Certificate of Authority grants a business the authority to collect third party taxes, such as the transient hotel occupancy tax or the parking space occupancy tax, from customers on behalf of the City.

following violations of the Tax Code: (a) Failure to produce financial records requested by the Tax Collector; (b) Failure to retain financial records; and, (c) Failure to allow the Tax Collector to inspect financial records. The penalty amount will increase cumulatively by 50 percent for each subsequent violation of the same provisions by the same person within a three-year period. The maximum penalty amount that may be imposed against a single taxpayer by administrative citation in a calendar year for each type of violation is $5,000. However, the failure to install, maintain or use revenue control equipment, as required by Section 4903 of the San Francisco Police Code, shall have no maximum administrative penalty amount in a calendar year.

In addition to the aforementioned penalty amounts, the Tax Collector, according to Mr. Tom Owen of the City Attorney's Office, may recover costs of enforcing the system of administrative penalties and citations as an additional penalty for violations of specified code provisions. Mr. Owen advises that such costs could include mailing costs, duplication costs and reasonable attorney's fees. Enforcement costs shall not count towards the $5,000 annual maximum penalty described above. Mr. Putris estimates that approximately 200 citations a year would be issued and the amount of additional revenues that could be generated from the introduction of the proposed system of administration penalties and citations would be approximately $5,000 annually.

Section 6.19-3 would also authorize the following classes of employees within the Treasurer/Tax Collector's Office to issue the proposed administrative citations: (a) 4334, Investigator: (b) 4335, Senior Investigator; (c) 4337, Principal Investigator; and, (d) 4340, Chief Investigator. Mr. Putris advises that it would not be necessary for the Treasurer/Tax Collector's Office to hire additional employees to implement the proposed system of administrative penalties and citations.

3. Section 6.19-4 would be a new section that provides that each day a violation of the Tax Code exists

constitutes a separate and distinct offense that may be cited. However, according to Mr. Putris, the decision to cite persons in violation of the Tax Code, including for each day a violation exists, is at the discretion of the Treasurer/Tax Collector's enforcement staff. The remittance of penalties would not cure the violation. If the penalties and costs of the subject violation are under appeal to the Tax Collector or judicial review, then such penalties and costs would not be accrued until a determination has been made.

Penalties are due and payable within 30 days from the issuance of the administrative citation. Failure to pay within 30 days will result in a late fee in the amount of 10 percent of the assessed penalty for each month the penalty and accrued late payment penalty remains unpaid. Section 6.19-4 also permits the City to file a civil action and impose a lien against the property of persons who fail to pay a penalty in a timely manner. Mr. Putris advises that the Tax Collector's Office does not anticipate that filing a civil action would occur very often, but if a civil action were filed, then the Tax Collector's attorney would handle the case. As of the writing of this report, the Tax Collector's Office is unable to estimate the costs and/or the potential revenue from filing a civil action and imposing a lien against the property of persons who fail to timely pay a penalty. However, no additional positions are anticipated to be requested, according to Mr. Putris.

4. Sections 6.19-5 through 6.19-7 would be added to (a) establish guidelines for notifying persons that violate the Tax Code, including what steps must be taken to fix the violation prior to the issuance of an administrative citation; (b) specify what the contents of a citation should be; and, (c) establish guidelines for serving administrative citations for a violation of the Tax Code. Mr. Putris advises that the costs of developing the citation guidelines and printing them in the Tax Collector Office's annual tax information brochure should be minimal and can be absorbed in the Treasurer/Tax Collector's existing budget.

5. Section 6.19-8 would be added to establish an administrative appeal procedure to contest administrative citations. An appeal of an administrative citation must be (a) filed with the Tax Collector within 15 days of the issuance of the citation; (b) filed in writing and include a return address; and (c) include the penalty amount. Mr. Putris advises that the Tax Collector's Office already conducts informal appeal hearings. Therefore, Section 6.19-8 would simply add one more item that could be heard by hearing officers appointed by the Tax Collector. The hearing officer's decision is considered a recommendation to the Tax Collector. The Tax Collector, within five days of receipt of the hearing officer's recommendation, must adopt, modify or deny the recommendation.

Mr. Putris estimates that approximately 20 percent of the individuals cited would request a hearing, which will be conducted by the Deputy Tax Administrator as a hearing officer as part of the Deputy Tax Administrator's ordinary duties. Mr. Putris does not anticipate the need for a supplemental appropriation request as a result of the administrative appeal process for administrative citations.

6. Section 6.19-9 would be added to permit the Tax Collector's Office to promulgate rules and regulations with respect to the administrative penalty and citation system outlined in Section 6.19-3 through 6.19-11. Any rules and regulations promulgated by the Tax Collector and any modifications thereof made by the Business Tax Board of Review shall become effective 30 days after receipt by the Clerk of the Board of Supervisors unless the Board of Supervisors by resolution disapproves or modifies the regulations. Mr. Putris advises that the Business Tax Board of Review is made up of the Assessor, Controller and City Administrator or their designees.

7. Section 6.19-10 would be added to provide that a taxpayer who is dissatisfied with the Tax Collector's decision on an appeal may appeal the decision to the Superior Court within 20 days of the mailing of the Tax Collector's decision. The taxpayer must pay a $25

filing fee pursuant to California Government Code Section 53069.4. Mr. Putris advises that the costs of the appeal would be minimal and, as of the writing of this report, is uncertain how many cases would be appealed to the Superior Court. If the Superior Court finds in favor of the appellant, the City shall reimburse the appellant the $25 filing fee. However, if the Superior Court finds in favor of the Tax Collector, the Tax Collector would retain the amount of the citation.

8. Section 6.19-11 would be added to provide that the procedures established under the proposed administrative citation system are in addition to all other remedies available to the Tax Collector for violation of the Tax Code.

Sections 852.8 through 852.11 and Section 856

9. Section 852.8 defines the "Business Registration Transition Period" as January 1, 2003 to June 30, 2003. Section 852.9 redefines the "Business Registration Year" to coincide with the City's fiscal year. The "Business Registration Transition Period" will aid in the transition from the current "Business Registration Year," which is based on the calendar year to the City's fiscal year. After June 30, 2003, both Business Tax Registration Certificate renewals and annual Payroll Tax returns would be filed at the same time, on or before the last day of February of each year. Mr. Putris advises that Business Tax Registration Certificates are required for all businesses that operate within the City and County of San Francisco. According to Mr. Putris the purpose of the change in the "Business Registration Year" is to establish a single filing deadline for both Business Tax Registration Certificate renewals and annual Payroll Tax returns, which would reduce the burden on taxpayers from having multiple filing deadlines.

The proposed amendment to Section 856, Registration Certificate-Application and Issuance, would accommodate the proposed "Business Registration Year" of July 1 through June 30 of the subsequent calendar year, including the "Business Registration

Transition Period" period from January 1, 2003 ending June 30, 2003. Section 856 also outlines the pro-rated fees for registering a new business to accommodate the change in the "Business Registration Year" from a calendar year basis to a fiscal year basis.

Section 905-A Small Business Tax Exemption

10. The Small Business Tax Exemption exempts small businesses with a Payroll Tax liability of $2,500 or less from paying any Payroll Taxes to the City provided that the small business files its Payroll Tax return on time (by the last day of February each year). The proposed amendment to Section 905-A, Small Business Tax Exemption would eliminate the automatic disqualification of the Small Business Tax Exemption for persons filing late returns in favor of graduated penalties based on the number of months the tax return is late. Late filers with a Payroll Tax liability of less than $1,000 will pay a $100 penalty plus 10 percent of the amount of such Payroll Taxes due to the City for each month or fraction of a month that the Payroll Tax return is late up to the maximum amount of Payroll Taxes that would have been due if the Small Business Tax Exemption had not been in effect. Late filers with a Payroll Tax liability of more than $1,000 will pay a $250 penalty plus 10 percent of the amount of such Payroll Taxes due to the City for each month or fraction of a month that the Payroll Tax return is late up to the maximum amount of Payroll Taxes that would have been due if the Small Business Tax Exemption had not been in effect. The proposed amendment also grants the Tax Collector the authority to reduce such penalties to not less than $100 upon proof from the taxpayer in question that the late filing was due to circumstances beyond his or her reasonable control. As of the writing of this report, Mr. Putris is uncertain if the proposed graduated penalty system would result in an increase of revenue collected from taxpayers who are automatically disqualified from the Small Business Tax Exemption for filing a late Payroll Tax return.

Section 6.6-1 Registration for Third-Party Taxes

11. The proposed amendment to Section 6.6-1 provides that parking lot operators are liable for the collection of Parking Taxes at the parking facility location identified in the Certificate of Authority (COA) to collect Parking Taxes unless and until they notify the Tax Collector that they are no longer doing business at that location and have surrendered the COA. Mr. Putris advises that the proposed amendment would provide the Tax Collector's Office with additional documentation to prove that a given registered parking lot operator is responsible for the third party taxes due to the City for the locations identified on the COA.

12. The Attachment, provided by Mr. Putris, is a memorandum that further explains the purpose of the proposed legislation and contains estimated annual costs and estimated annual revenues resulting from the system of administrative penalties and citations. According to Mr. Putris, the estimated printing costs for approximately 5-years worth of citations are $640 and the estimated annual costs are $240 ($20 per month) for materials and supplies, and the maximum estimated annual revenues from the penalties are $5,000. As stated in the memorandum, Mr. Putris, does not anticipate requesting a supplemental appropriation as a result of this legislation. Further Mr. Putris states that the ordinance is not intended to result in significant revenue collection.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Office of the Treasurer
& Tax Collector
City and County of San Francisco
City Hall, Room 140
#1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SUSAN LEAL, Treasurer
GEORGE PUTRIS, Tax Administrator
Taxpayer Assistance: (415) 554-4400

MEMORANDUM

To: Maureen Singleton, Budget Analyst

From: Tax Administrator George Putris

Re: Business Tax Simplification Ordinance (File No. 010826)

Date: July 12, 2001

Thank you for your review of the Business Tax Simplification Ordinance. As you know, this ordinance will do several things:

- First, consolidate the two deadlines for renewing business registration certificates and filing annual returns, creating one February deadline, to reduce the burden on taxpayers of having multiple filing deadlines.
- Second, create a graduated system of fines for persons who qualify for the Small Business Exemption (SBE) but fail to file a timely return. Under existing law, businesses whose calculated tax would be less than $2,500 for the year are exempt from liability, but only if they file on time. If a business fails to file on time, it loses the exemption and owes the entire amount of tax that would have been exempt under the SBE. Under this proposal, a taxpayer otherwise entitled to the SBE who missed the filing deadline could still claim the SBE, but would pay a penalty based on the calculated tax amount and the number of months the return is filed late.
- Third, certain businesses defined as "operators" collect third-party taxes on behalf of the City. These operators must obtain a Certificate of Authority (COA) to collect these taxes, and they must post a bond covering their obligation to remit these taxes to the City. Both the COA and the bonding requirement enhance our ability to monitor operators and hold them accountable for third-party taxes. The proposed legislation strengthens the COA Program by holding parking lot operators liable for the collection of parking taxes at each location for which they have been issued a COA, unless and until the certificate is surrendered to the Treasurer & Tax Collector's office.
- Finally, the legislation establishes a system of administrative penalties for specified violations of the tax code, and authorizes our office to issue administrative citations and collect fines for violations, such as for failure to post a Certificate of Authority to collect third party taxes.

You have asked our office for an estimate of costs and revenues that will result from the implementation of this legislation, particularly the Administrative Citation program. These estimates are set forth below.

REVENUES

The Administrative Citation program is not intended to be a direct engine of revenue collection. Rather, it would be simply another enforcement tool, among others, that enable this office to ensure that parking lot operators comply with the City's parking tax ordinance. Still, as a result of this added tool, we expect tax revenue collection from parking lot operators will increase. We anticipate that an unspecified amount of additional third-party taxes will be reported and collected as an indirect result of this office's ability to demand immediate cures of existing violations. We also anticipate a relatively small amount of revenue to be derived from the collection of fines imposed by means of citations. The violations subject to citation carry fines of between $100 and $500. We anticipate issuing approximately 200 citations a year, the vast majority of which will be either not appealed or upheld on appeal. We do not anticipate total revenue from fines to exceed $5,000 annually.

COSTS

We do not anticipate any significant increase in costs to the department to implement this ordinance. Some incidental cost are as follows: The cost of printing the citations is $640. The cost of training employees, if any, will be paid with amounts already budgeted for employee training. Other costs may include materials and supplies, such as envelopes, postage and phone calls, are estimated at $20 per month. Tracking of the citations would be on existing systems such as CUBS/BTS.

We anticipate that approximately 20 percent of the individuals cited will request a hearing, which will be conducted by the Deputy Tax Administrator as part of her ordinary duties. Any further appeals to the Superior Court will be handled by our tax attorney staff as part of their ordinary duties. Further, the citations will be issued by investigators as part of their ordinary duties. Based on the foregoing, we do not anticipate hiring any additional employees to implement the proposed system of administrative penalties and citations and fully expect to absorb any and all costs in our existing budget.

COST SAVINGS

We anticipate recognizing a cost savings on legal fees from our tax attorney staff, as the administrative process that necessarily accompanies citations will create a clear documentary record of each significant episode of non-compliance, the entire record of which should enable us to more efficiently prosecute collection actions in court, if necessary, and lay a suitable foundation for injunctive relief in appropriate cases.

NO SUPPLEMENTAL APPROPRIATION

We do not anticipate requesting a supplemental appropriation as a result of the proposed changes contained in this ordinance. Please do not hesitate to contact me if you have any further questions.

Item 4 – File 01-1092

Department:	Department of Human Services (DHS)
Item:	Resolution approving a contract between the City and the IHSS Consortium of San Francisco, a nonprofit agency, for the provision of In-Home Support Services by a nonprofit provider for the three-year period from July 1, 2001 to June 30, 2004 in the amount of $29,214,373, with an option to renew for one additional year.
Contract Amount:	Not to exceed $29,214,373

Source of Funds:

General Fund monies included in DHS's FY 2001-2002 budget and projected for the FY 2002-2003 and FY 2003-2004 budgets	$6,427,162
Federal and State Medicaid Funds included in DHS's FY 2001-2002 budget and projected for the FY 2002-2003 and FY 2003-2004 budgets	22,787,211
Total	$29,214,373

Description:

In-Home Supportive Services (IHSS) is an entitlement program which provides funding for low-income seniors and disabled people to receive non-medical personal care and other household assistance in their homes from visiting workers. IHSS care can allow seniors and disabled persons to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization.

IHSS services are provided by either independent providers or contracted providers. According to Mr. Joseph Huang of DHS, since 1994, the contractual IHSS services have been divided into two separate contracts, one with Addus HealthCare, a private for-profit provider, and one with the IHSS Consortium, a nonprofit agency. Under this division of contractual services, the IHSS Consortium has provided IHSS services that require more intensive supervision than Addus HealthCare. Mr. Huang reports that, for the period from July 1, 2001 to June 30, 2004, the Department will continue to divide the contractual IHSS services into two separate contracts, one of which will involve more intensive supervision, to be provided by the IHSS Consortium. All IHSS services are funded by a combination of City General Fund monies and State and Federal Medicaid funds.

The proposed resolution would approve the new intensive supervision contract with the IHSS Consortium in the amount of $29,214,373 for the period July 1, 2001 through June 30, 2004 with an option to renew for one additional year. The IHSS Consortium is an association of nonprofit agencies which includes the Independent Living Resource Center, Self-Help for the Elderly, Mission Neighborhood Center, Kimochi, Inc., Bayview-Hunters Point Multipurpose Senior Services Center, Catholic Charities, and Western Addition Senior Citizens Service Center. According to Mr. Huang, the other IHSS contract, which was previously awarded to Addus HealthCare for the period from August 1, 1998 to June 30, 2001, has not yet been awarded for the period from July 1, 2001 to June 30, 2004, as the RFP process is still ongoing (see Comment No. 4).

The total annual IHSS hours to be provided by independent providers and the two contract providers would be approximately 8,600,000 for FY 2001-2002 and would be distributed as follows: (a) independent providers – approximately 90.9 percent or 7,815,000 hours; (b) IHSS Consortium contract (the subject of this resolution) – approximately 4.8 percent or 410,000 hours; and (c) a second contract – approximately 4.3 percent or 375,000 hours, to be provided by another contractor. According to Mr. Huang, the Department anticipates that total annual IHSS hours will increase over the three years of the contract period to reflect an increase in the demand for IHSS services, although DHS does not have projections for total annual IHSS hours for FY 2002-2003 and FY 2003-2004 as of the writing of this report.

In July of 1998, the Board of Supervisors approved the previous intensive supervision contract with the IHSS Consortium for the three-year period from July 1, 1998 to June 30, 2001, with an option to renew for one additional year (File 98-935). In June of 2001, the Board of Supervisors retroactively approved a contract modification that increased the total amount of the City's contract with the IHSS Consortium by $2,074,688, from

$16,132,813 to $18,207,501 (File 01-0999). The total $2,074,688 increase in that contract authorized by the Board of Supervisors in June of 2001 included: (1) an increase of $1,620,938 to reflect an increase in the average hourly wage of the IHSS contract workers from $7.29 to $9.00, retroactive to October 1, 1999; (2) a second increase of $453,750, which reflected another increase in the average hourly wage of IHSS contract workers from $9.00 to $9.70, retroactive to July 1, 2000. With the inclusion of benefits, training, travel, insurance, and administrative costs, as well as worker wages, the total hourly rate under the contract modification increased by $2.47 or 16.7 percent, from $14.75 to $17.22, retroactive to October 1, 1999, and by $1.21 or 7.0 percent, from $17.22 to $18.43, retroactive to July 1, 2000.

The proposed new intensive supervision contract with the same nonprofit agency, the IHSS Consortium, in the amount of $29,214,373 is $11,006,872 or 60.5 percent more than the previous $18,207,501 contract with the IHSS Consortium.[1] Attachment I, provided by the Department, is a three-year budget for the proposed $29,214,373 contract. On an annual basis, the number of hours to be provided of 410,000 is 35,000 hours or 9.3 percent more than the prior annual contract hours of 375,000, when comparing FY 2000-2001 to FY 2001-2002. The $11,006,872 increase in the contract amount reflects increases in both the hourly rates and the number of hours proposed under the nonprofit service provider contract. The hourly rates include wages paid to IHSS workers, benefits,[2] training, travel, insurance and administrative costs. The following table compares the IHSS Consortium's previous contract for Fiscal Years 1998-1999 through 2000-2001 with the proposed contract for Fiscal Years 2001-2002 through 2003-2004.

---

[1] The previous contract with IHSS Consortium covered the period from August 1, 1998 to June 30, 2001, a total of 35 months, which is one month less than the proposed 36-month contract period, which extends from July 1, 2001 to June 30, 2004. At the hourly rate originally established by the contract for FY 1998-1999 of $14.75, which includes wages, benefits, training, travel, insurance, and administrative costs, the additional month would have cost an additional $460,937 based on average monthly hours of 31,250 (375,000 annual hours / 12 months), bringing the total amount of the previous IHSS Consortium contract to $18,668,438. Thus, the increase in the proposed contract amount as compared to an equivalent three-year period of the previous contract would be $10,545,935 or 56.5 percent, from $18,668,438 to $29,207,501.

[2] Under the proposed contract, IHSS Consortium contract employees would continue to receive health, dental and other benefits as well as sick, vacation, and holiday leave, as was stipulated in the previous contract for FY 1998-1999 through FY 2000-2001.

	1998-2001 Contract			
	FY 1998-1999	FY 1999-2000	FY 2000-2001	TOTAL
Hourly Rates	$14.75	$17.22*	$18.43	$16.65
Estimated # of Hours	343,750	375,000	375,000	1,093,750
Total Amount	$5,070,313	$6,225,938	$6,911,250	$18,207,501

	2001-2004 Contract			
	FY 2001-2002	FY 2002-2003	FY 2003-2004	TOTAL
Hourly Rates	$20.88	$21.43	$22.02	$21.48
Estimated # of Hours	410,000	450,000	500,000	1,360,000
Total Amount	$8,561,654	$9,643,649	$11,009,070	$29,214,373

* The $17.22 hourly rate became effective on October 1, 1999, pursuant to the first modification to the contract between DHS and the IHSS Consortium. The hourly rate for the period from July 1, 1999 to September 30, 1999 was $14.75. (File 01-0999)

The IHSS Consortium's hours would increase over the subject contract period by 40,000 hours or 9.7 percent in FY 2002-2003, from 410,000 to 450,000, and by 50,000 hours or 11.1 percent in FY 2003-2004, from 450,000 to 500,000. The 1,360,000 total hours to be provided under the proposed contract is 266,250 hours or 24.3 percent more than the 1,093,750 hours provided under the previous contract.

According to Mr. Huang, the increase in total hours under the proposed contract and the annual increases during the contract period reflect the Department's expectation of an escalating demand for IHSS services.

The FY 2001-2002 hourly rate of $20.88 for the proposed IHSS Consortium contract is $2.45 per hour higher, or a 13.3 percent increase, over the FY 2000-2001 rate of $18.43 under the previous contract. As noted previously, the hourly rates include the wages paid to contract workers, as well as benefits, training, travel, insurance, and administrative costs. Under the proposed contract, IHSS Consortium contract workers would be paid an average hourly wage of $10.23 in FY 2001-2002 with subsequent annual increases of approximately $0.16 or approximately 1.5 percent, bringing the FY 2002-2003 average hourly wage to $10.39 and the FY 2003-2004 average hourly wage to $10.54. Under the previous IHSS Consortium contract, as amended by the second modification (File 01-0999), contract workers were paid an average hourly wage of $9.70 in FY 2000-2001. The initial increase in average hourly wages for IHSS contract workers from $9.70 in FY 2000-2001 under the previous contract to $10.23 in FY 2001-2002 under the proposed contract would be $0.53 or 5.5 percent. These wages conform to the Minimum Compensation Ordinance, approved by the Board of Supervisors in September of 2000, which requires that all contracts and contract amendments made after September of 2000 include an hourly wage of at least $9.00 for contract workers, and that contracts and contract amendments effective after September 2001 include hourly wages of at least $10.00. According to Mr. Huang, the increase in the hourly rate also reflects general increases in various other costs incurred by the contractor, which include benefits, training, travel, insurance and administrative expenses. During the proposed contract period, the hourly rate would increase by approximately $0.55 or 2.6 percent in FY 2002-2003, from $20.88 to $21.43, and by approximately $0.59 or 2.7 percent in FY 2003-2004, from $21.43 to $22.02.

Comments:

1. Because the proposed new contract commenced on July 1, 2001, the subject resolution should be amended to provide for retroactivity. Mr. Huang reports that the Department submitted the proposed contract for consideration by the Board of Supervisors in early June of 2001.

2. According to Mr. Huang, the IHSS Consortium was selected for the subject contract in April of 2001 through a competitive bidding process initiated in February of 2001. Mr. Huang reports that the IHSS Consortium was the only service provider to submit a bid to DHS for this contract. According to Mr. Huang, the subject contract was publicized on the DHS website and in the nine newspapers listed in Attachment II, provided by DHS.

Attachment II also provides a list of all nonprofit agencies that received information on the subject contract.

3. Administrative costs under the proposed contract total $5,405,622, which includes $4,178,914 for administrative personnel costs, $18,702 for administrative travel, $843,232 for office expenses, $102,918 for insurance bonding, $30,988 for audit work, and $230,868 for other costs, which include debt service, paging services, TB testing, tax and licensing fees, IT consultant fees, translation services, software, and agency outstation costs. The $5,405,622 in administrative costs constitutes 18.5 percent of the total proposed three-year contract amount of $29,214,373. Under the previous contract with the IHSS Consortium, administrative costs totaled $3,435,478 or 18.9 percent of the $18,207,501 total. Significant changes in administrative costs include: an increase of $2,521,685 or 152.2 percent in administrative personnel costs, from $1,657,229 in the previous contract to $4,178,914 in the proposed contract; an increase of $514,915 or 156.8 percent in office expenses, from $328,317 in the previous contract to $843,232 in the proposed contract; and a decrease of $1,012,308 or 81.4 percent in other costs, from $1,243,176 in the previous contract to $230,868 in the proposed contract.

4. As noted earlier, the second of the two previous IHSS contracts was awarded to Addus HealthCare for the period from August 1, 1998 to June 30, 2001. Mr. Huang reports that the Department will be requesting a contract modification to extend the contract period with Addus HealthCare by two months while the RFP process for the new contract is pending (File 01-1228). Mr. Huang advises that approval of the two-month extension, which would cover the period from July 1, 2001 through August 31, 2001, will be subject to separate retroactive legislative approval by the Board of Supervisors.

5. As noted above, the 1,360,000 total hours to be provided under the proposed contract with the IHSS Consortium is 266,250 hours or 24.3 percent more than the 1,093,750 provided under the previous contract. On an annual basis, the number of hours to be provided of

410,000 is 35,000 hours or 9.3 percent more than the prior annual contract hours of 375,000, when comparing FY 2000-2001 to FY 2001-2002. Further, the IHSS Consortium's hours are estimated to increase over the subject contract period by 40,000 hours or 9.7 percent in FY 2002-2003, from 410,000 to 450,000, and by 50,000 hours or 11.1 percent in FY 2003-2004, from 450,000 to 500,000.

According to Mr. Huang, the increase in total hours under the proposed contract and the annual increases during the contract period reflect the Department's expectation of an escalating demand for IHSS services.

Recommendation:

1. In accordance with Comment No. 1, amend the proposed resolution as follows:

   (a) on page 1, line 3 in the title, insert "*retroactively*" before "*approving*" so that the phrase reads "*Resolution retroactively approving*"......

   (b) on page 1, line 18, insert "*retroactively*" before "*approves*" so that the phrase reads "*hereby retroactively approves.*"

2. As noted in Comment No. 5 above, because of the significant increase in the level of services to be provided under the proposed contract, we consider approval of this proposed resolution, as amended, to be a policy matter for the Board of Supervisors.

F. Budget Summary with Three Fiscal Year Budgets

Document Date: 16-May-01

BUDGET SUMMARY

Contractor's Name

IN-HOME SUPPORTIVE SERVICES CONSORTIUM

(Check One) New __X__ Renewal ____ Modification ____

If modification, Effective Date of Mod. No. of Mod.

Program: In-Home Supportive Services with Intensive Supervision	FISCAL YEAR 01-02	FISCAL YEAR 02-03	FISCAL YEAR 03-04	TOTAL
Term				
IHSS Provider Wages				
Full Time	$4,194,178	$4,674,186	$5,272,230	$14,140,594
Part Time				
IHSS Provider Employment Taxes				
Social Security (FICA)	$383,238	$425,696	$478,543	$1,287,477
Federal Unemploymt Ins (FUTA)				
State Unemplymt Ins (SUI)	$58,711	$62,330	$66,954	$187,995
State Disability Ins (SDI)				
IHSS Provider Worker's Compensation	$528,968	$700,230	$944,480	$2,173,678
IHSS Provider Employment Benefits				
Vacation	$215,641	$232,723	$254,030	$702,395
Sick Leave	$84,950	$91,679	$100,072	$276,701
Holiday	$152,473	$164,551	$179,617	$496,641
Health Insurance	$604,787	$707,591	$837,370	$2,149,749
Dental Insurance	$107,081	$126,638	$149,974	$383,694
Other	$153,200	$171,382	$193,995	$518,577
IHSS Provider Travel Costs				
Travel Wages	$299,013	$333,234	$375,870	$1,008,117
Mileage	$85,851	$91,404	$98,298	$275,553
IHSS Provider Orientation/Skill Dev				
Training Wages	$63,398	$68,274	$73,644	$205,316
Training Staff/Consultants	$718	$754	$791	$2,264
Other Training Costs				
Administrative Salaries				
Local Administration	$356,914	$371,401	$420,909	$1,149,223
Clerical	$59,574	$61,362	$63,202	$184,138
IHSS Supervisors	$609,621	$712,509	$793,136	$2,115,266
Salaries to Owners/Officers/Dirs.				
Administrative Taxes				
Social Security (FICA)	$78,498	$87,613	$97,710	$263,820
Federal Unemploymt Ins (FUTA)				
State Unemplymt Ins (SUI)	$5,027	$5,429	$6,032	$16,487
State Disability Ins (SDI)				
Administrative Worker's Compensation	$12,034	$16,170	$21,630	$49,834

Administrative Benefits				
Vacation				
Sick Leave				
Holiday				
Health Insurance	$70,532	$83,757	$100,551	$254,840
Dental Insurance	$11,489	$13,787	$16,570	$41,847
Other	$30,783	$34,359	$38,317	$103,459
Administrative Travel				
Travel Wages				$0
Mileage	$5,787	$6,234	$6,681	$18,702
Insurance and Bonding				
Liability Insurance	$27,315	$30,047	$33,051	$90,413
Automobile Insurance				
Fidelity Bond	$3,967	$4,165	$4,373	$12,505
Performance Bond				
Letter of Credit				
Office Expenses				
Rent	$134,043	$136,723	$139,457	$410,223
Maintenance/Janitorial	$6,809	$7,149	$7,506	$21,464
Utilities	$12,766	$14,043	$15,447	$42,255
Equipment (new)	$24,271	$17,426	$17,638	$59,335
Equipment Maintenance	$8,644	$9,076	$9,530	$27,249
Equipment Deprec. (prior purchase)	$20,885	$25,739	$29,224	$75,849
Accounting and Data Processing	$17,440	$18,361	$19,555	$55,356
Telephone	$12,128	$12,491	$12,866	$37,485
Postage	$7,819	$7,819	$8,018	$23,656
Photocopying/Printing	$4,778	$5,028	$5,303	$15,109
Supplies	$19,837	$21,391	$23,053	$64,282
Personnel Advertising	$3,549	$3,655	$3,765	$10,969
Other Costs	$75,107	$76,921	$78,839	$230,868
Profit (Proprietary Firms)				
Audit	$9,830	$10,321	$10,837	$30,988
TOTAL COSTS	$8,561,654	$9,643,649	$11,009,070	$29,214,373 *
Prepared by:			(415) 255-2079	Telephone No.:

*IHSS Provider costs (wages, employment taxes, worker's compensation, employment benefits, travel, and orientation/skills development) total $23,808,751.

Administrative costs (administrative salaries, administrative taxes, administrative worker's compensation, administrative benefits, administrative travel, insurance and bonding, office expenses, and other costs) total $5,405,622.

Attachment II

City and County of San Francisco   Department of Human Services

To: Budget Analyst Office
From: Joseph Huang, Senior Contracts Manager
Date: May 31, 2001
Re: Advertisement for RFP 199

For RFP 199, the Department of Human Services advertised through the Purchasing Department in its Bids & Contracts Opportunity Newsletter and on the City and County's Bids and Contracts website (http://sunset.ci.sf.ca.us/pbidds.nsf) with links from the Department of Human Services' website. The Department also advertised through the following newspapers: San Francisco Independent, Bay Guardian, Asian Weekly, Bay Area Reporter, El Bohemia News, The Sun Reporter, San Francisco Bayview, Bay Area Business Woman, and El Mensejero. The Department also sent direct mailings to the current contractors, Addus Healthcare (a for-profit) and IHSS Consortium (a not-for-profit).

The following organizations were aware of the RFP, as they provided letters of support to the IHSS Consortium's proposal or were included in the proposal.

Arriba Juntos
Bayview-Hunters Point Multipurpose Senior Services
Bethany Center
Consumers in Action for Personal Assistance
Family Service Agency of San Francisco
Goldman Institute on Aging
Independent Living Resource Center of San Francisco
IHSS Public Authority
Kimochi, Inc.
Legal Assistance to the Elders, Inc.
Little Brothers – Friends of the Elderly
North of Market Senior Services
Northern California Presbyterian Homes and Services
On-Lok Senior Center
Planning for Elders in the Central City
Project Open Hand
San Francisco Adult Day Services Network
Senior Action Network
Seniors At Home – Jewish Family and Children Services
Self-Help for the Elderly
Western Addition Senior Citizen's Senior Center, Inc.

(415) 557-5000   P.O. Box 7988   San Francisco, California 94120

Item 5 - File 01-1188

Department: Airport Commission

Item: Resolution approving the Controller's certification that the airport public parking facility management services for the San Francisco International Airport can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 2001, than if the work were performed by City employees.

Services to be Performed: Airport Public Parking Facility Management Services

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employee.

The Controller has determined that contracting for the Airport's public parking facility management services for FY 2001-2002 would result in estimated savings as follows:

	Low	High
City-Operated Service Costs		
Parking & Taxicab Operations & Management	$11,781,627	$14,032,982
Security Control	5,200,530	6,206,249
Janitorial Services	2,889,367	3,442,646
Total	$19,871,524	$23,681,877
Estimated Total Contract Costs	$16,198,873	$16,198,873
Estimated Savings	$3,672,651	$7,483,004

Comments:

1. AMPCO System Parking manages and operates parking facilities. According to Ms. Jelina Enriquez of the Airport Commission, AMPCO provides public parking management services for four public parking facilities, one valet parking facility and one impound lot at the San Francisco International Airport. According to Ms. Enriquez, AMPCO services include day-to-day operations and management of these facilities, such as staffing, cashiering, customer services, and equipment maintenance, as well as providing janitorial and security services for these facilities. Ms. Enriquez advises that AMPCO System Parking also provides security guard services for all the courtyards at the Airport.

2. The Airport Commission reports that this service was first certified as required by Proposition J (Charter Section 10.104) in FY 1980-81 and has been continuously provided by an outside contractor since that time.

3. The prior one-year contract with AMPCO System Parking expired on June 30, 2001. Ms. Enriquez states that AMPCO has provided public parking management services to the Airport for the last ten years. According to Ms. Enriquez, the Airport Commission exercised its last renewal option with AMPCO during FY 2000-2001. Ms. Enriquez advises that the Airport Commission is in the process of receiving bids for FY 2001-2002 and that the new contractor is scheduled to start on October 1, 2001. According to Ms. Enriquez, the contract with AMPCO is extended on an interim month-to-month basis into Fiscal Year 2001-2002 until a new contract is awarded to the successful bidder.

4. The Estimated Total Contract Cost used for the purpose of this analysis is based on the Airport Commission's estimate of the FY 2001-2002 contractual costs for public parking facilities management services.

5. The Controller's supplemental questionnaire with the Department's responses is attached to this report.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

Department: Airport Commission
Contract Services: Public Automobile Parking
Contract Period: July 1, 2001 to June 30, 2002

1. **Who performed the activity/service prior to contracting out?**
   This service has always been contracted out, it has never been operated by City personnel.

2. **How many City employees were laid off as a result of contracting out?**
   None

3. **Explain the disposition of employees if they were not laid off.**
   N/A

4. **What percentage of City employees' time is spent on services to be contracted out?**
   N/A

5. **How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?**
   Services have been contracted out since October 16, 1971, it is likely to remain contracted out.

6. **What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?**
   It has been certified each year since 1980.
   Yes, it has been certified each year since Fiscal Year 1980/81.

7. **How will the services meet the goals of your MBE/WBE Action Plan?**
   Although this contract was not awarded to a MBE/WBE firm in 1996, it must adhere to the City's non-discrimination ordinance contained in Chapters 12B & 12C of the City's Administrative Code. This contract contains MBE/WBE goals which include "best effort to meet a 30% goal. The new contract currently out to bid calls for 30% combined MBE/WBE participation.

8. **Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?**
   The contractor provides health insurance for its employees through union agreements.

9. **Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic partners ordinance?**
   AMPCO and parent ABMI are working on a nation-wide Domestic Partners Program. The contract with AMPCO is unchanged and the requirement was not included in the contract. The new contract calls for compliance with Chapter 12 B & C of the S.F. Administrative code

10. **Does the proposed contractor pay meet the provisions of the Minimum Compensation Ordinance?**
    The current contract with AMPCO does not call for the Minimum Compensation Ordinance, however, AMPCO has paid their employees at union scale. The new contract calls for compliance with this ordinance.

Department Representative: Vicki Sundstrom
for Steve Gordon, Assistant Deputy Director – Parking Management

Telephone Number: (650) 821-4050

1.02.04 03 AMPCO PROPJ Questionnaire.doc

Item 7 - File 01-1220

Department: Department of Public Health (DPH)

Item: Ordinance amending Part II, Chapter V, of the San Francisco Municipal Code (Health Code) by amending Section 128 thereof, to fix patient rates for services furnished by the Department of Public Health, effective July 1, 2001.

Description: In accordance with the San Francisco Health Code, the proposed ordinance would establish patient rates for services provided by the Department of Public Health (DPH) for FY 2001-2002. DPH annually reviews its charges for patient services and makes adjustments, when appropriate, to provide for a full recovery of costs. The proposed ordinance would establish DPH patient rates for San Francisco General Hospital (SFGH), Laguna Honda Hospital, Primary Care Clinics (including dental services), Community Mental Health Services, Community Substance Abuse Services and vaccines as well as miscellaneous services. The rates in the proposed ordinance took effect on July 1, 2001 (see Comment No. 2).

The Attachment to this report, provided by the DPH, compares the FY 2000-2001 patient rates with the proposed FY 2001-2002 patient rates. Ms. Monique Zmuda of DPH advises that the rates are determined based on a survey of Bay Area and Los Angeles County hospitals. Ms. Zmuda explains that the rates are set to (1) be consistent with industry standards (2) cover DPH's costs (3) ensure consistency among DPH facilities.

As shown in the Attachment, with the exception of the services provided by the SFGH Emergency Clinic, the proposed rate changes for patient services range from a 36 percent reduction for crisis intervention services to a 25 percent increase for anesthesia services. The proposed ordinance includes increases of up to 187 percent for certain Emergency Clinic services at SFGH (see Comment No. 3).

Ms. Zmuda advises that, on average, the rates in the proposed ordinance reflect an increase of 10 percent.

Comments: 1. According to Ms. Zmuda, the Department's FY 2001-2002 budget is based on the inclusion of $31,897,312 in total patient revenues resulting from the patient rates listed in the Attachment. Such revenues of $31,897,312 are $2,915,724, or 10.1 percent, greater than the FY 2000-2001 revenues of $28,981,588.

Ms. Zmuda explains that such patient rates serve as the basis for reimbursement from third party payers, such as MediCal, Medicare, and Health Maintenance Organizations. Ms. Zmuda further explains, however, that such third party payers typically reimburse DPH at rates lower than the patient rates. Additionally, patients who can afford to pay for their own patient care are charged rates on a sliding scale, based on their income. Therefore, the rates in the proposed ordinance do not necessarily reflect the amount that DPH collects for each patient encounter, according to Ms. Zmuda. However, according to Ms. Zmuda, the attached rates are designed to recover the costs of DPH to provide the necessary patient services.

2. Ms. Zmuda advises that DPH began charging the rates shown in the proposed ordinance on July 1, 2001. She explains that the proposed ordinance was not submitted to the Board of Supervisors prior to the FY 2001-2002 budget process because the Bay Area Rate survey was not completed until early June. She further advises that the Health Commission approved the patient rates on June 19 and the proposed ordinance was then submitted to the Board of Supervisors on June 26, to be scheduled as soon as possible on the Finance Committee's agenda. Ms. Zmuda notes that the Department will attempt to develop a timeline to ensure that in the future the patient rates are approved prior to approval of the budget. Since the proposed patient rates took effect July 1, 2001, the proposed ordinance should be amended for retroactivity.

3. Ms. Zmuda explains that the Health Care Financing Administration (HCFA), the Federal agency that oversees the MediCal and Medicare programs, has changed the billing procedures for Emergency Room Services. She explains that Levels III through VI of Emergency Room care include an observation component. Previously, HCFA allowed hospitals to bill for this observation component separate from their billings for room charges. HCFA has changed the rules and now prohibits hospitals from billing separately for observation. As a result, Ms. Zmuda explains, DPH has

combined the rate for observation with the rate for room charges. Consistent with this change, the proposed ordinance eliminates the separate charges for observation. Therefore, although the proposed rates and percentage increases appear significant for Levels III through VI of Emergency Room care, they actually reflect the combination of the previously established separate rates.

4. Ms. Zmuda notes that new additions to the patient rate ordinance for FY 2001-02 include (1) the influenza vaccination (2) vaccinations provided by special request and (3) one-stop service to birth certificate consumers requiring certification from the California Secretary of State.

Recommendations: 1. Amend the proposed ordinance, in accordance with Comment No. 2, as follows: on page 1, line 5, delete *"effective"* and replace it with "retroactive to" so that line 5 reads, *"Department of Public Health, retroactive to July 1, 2001."*

2. Approve the proposed ordinance, as amended.

City and County of San Francisco

Department of Public Health

Mitchell H. Katz, M.D.
Director of Health

ATTACHMENT
Page 1 of 8

MEMORANDUM

Date: June 25, 2000

To: The Honorable Mark Leno
Chair, Finance and Labor Committee

From: Mitchell H. Katz, M.D.
Director of Health

Subject: FY 01-02 Patient Rates

Recommended Action

The Department of Public Health is requesting approval of revised patient rates for services provided by San Francisco General Hospital, Laguna Honda Hospital, primary care health clinics, Community Mental Health Services, Community Substance Abuse Services and the Department of Public Health. The proposed ordinance will revise Section 1. Part II, Chapter V of the San Francisco Municipal Code (Health Code). If approved, patient rates will be retroactive to July 1, 2001.

Background

As required by the San Francisco Municipal Code, the Department of Public Health must determine reasonable rates charged to patients receiving services. Annually, the Department reviews patient rates and when appropriate, revises rates to recover the cost of providing services. A complete list of patient rates for all services provided by the Department of Public Health is contained in the Charge Description Master available in patient billing offices.

Analysis/Reason for Recommendation

San Francisco General Hospital

Rates charged for services at San Francisco General Hospital include a proposed increase from 5% to 25% although the average rate increase is 10%. Rates are revised based on a survey of patient rates charged by other Bay Area and Southern California medical centers and reflect increased costs.

In emergency services, the Department combined the charges for emergency clinic visits with charges for observation, consistent with recent federal changes in billing procedures.

Laguna Honda Hospital
No increase in rates are proposed for Laguna Honda Hospital as the current published rates are in line with industry standards and accurately reflect contractual adjustments.

Community Mental Health Services
Rates charged for Community Mental Health Services include changes from a reduction of 36% to an increase of 22% based on filed cost reports and the state maximum allowance for these services.

Community Substance Abuse
No increase in rates are proposed for Community Substance Abuse Services.

Department of Public Health
The Influenza vaccination rate of the Department of Public Health is included in the patient rate ordinance for the first time as well as a special price list for as needed/requested immunizations. Also new to the patient rate ordinance is the "Apostille Walk Through" for birth certificate consumers requiring certification from the California Secretary of State

Fiscal Implications
Approval of the attached ordinance will revise rates charged to patients for health, mental health, substance abuse and other public health services. Please note that patient charges serve as the basis for reimbursement from third party providers. However, rates charged to patients may differ from the reimbursement from payors such as Medi-Cal, Medicare and Health Maintenance Organizations that typically reimburse providers for services at rates which are lower than published charges. Reimbursement from third party providers are a significant source of revenues for the Department of Public Health. These rate increases will not impact the revenue estimates in the FY 01- 02 budget.

Thank you for your consideration of this request. If you have any questions, please call Monique Zmuda, Chief Financial Officer, at 554-2610.

cc: Gloria Young, Clerk of the Board

PARTMENT OF PUBLIC HEALTH
TIENT RATES
01-02
ECTIVE JULY 2001

PE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JAN 1, 2001	RATE FY 01-02 EFFECTIVE JULY 1, 2001	PERCENT CHANGE
MMUNITY HEALTH NETWORK				
ı Francisco General Hospital				
Supplies & Drugs	Unit	Special Price List		
n-Patient Care				
Medical Surgical	Day	1,500	1,650	10%
Intensive Care	Day	3,300	3,650	11%
Intensive Care - Trauma	Day	3,300	3,650	11%
Coronary Care	Day	3,300	3,650	11%
Chest-Pulmonary	Day	2,950	3,250	10%
Stepdown Units	Day	2,200	2,450	11%
Pediatrics	Day	1,500	1,650	10%
Obstetrics	Day	1,500	1,650	10%
Nursery				
New Born	Day	950	950	0%
Observation/Well Baby	Day	1,500	1,650	10%
Semi-Intensive Care	Day	2,200	2,450	11%
Intensive Care	Day	3,300	3,650	11%
Labor/Delivery - 6G	Day	1,500	1,650	10%
Labor/Delivery Hours of Stay	Hour	80	90	13%
Psychiatric Inpatient	Day	1,500	1,650	10%
Psychiatric Forensic Inpatient - 7L	Day	1,500	1,650	10%
AIDS Unit - 5A	Day	1,500	1,650	10%
Security Unit - 7D	Day	1,500	1,650	10%
Skilled Nursing Facility	Day	560	600	7%
Mental Health Rehab. SNF	Day	560	600	7%
Surgical Services				
Minor Surgery Pre-Op Holding Room	Room	170	190	12%
Minor Surgery I (Come & Go)	1/4 Hour	250	275	10%
	1/2 Hour	490	540	10%
	3/4 Hour	740	815	10%
	Full 1 Hour	970	1,070	10%
	Ea. Add'l 1/4 Hr.	250	275	10%
Minor Surgery II	1st Hour	1,060	1,170	10%
	Ea. Add'l 1/2 Hr.	530	585	10%
Major Surgery Pre-Op Holding	Room	170	190	12%
Major Surgery I	1st Hour	1,600	1,760	10%
	Add'l 1/2 Hour	560	615	10%
Major Surgery II	1st Hour	1,800	1,980	10%
	Add'l 1/2 Hour	620	685	10%
Major Surgery III	1st Hour	2,000	2,200	10%
	Add'l 1/2 Hour	740	815	10%
Extraordinary Surgery	1st Hour	2,200	2,420	10%
	Add'l 1/2 Hour	810	890	10%
Surgery (2 Teams)	Procedure	3,100	3,410	10%

ATTACHMENT
Page 4 of 8

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 01-02
EFFECTIVE JULY 2001

TYPE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JAN 1, 2001	RATE FY 01-02 EFFECTIVE JULY 1, 2001	PERCEN CHANGE
	Add'l 1/2 Hour	1,060	1,165	10%
Surgery (3 Teams)	Procedure	4,000	4,400	10%
	Add'l 1/2 Hour	1,300	1,430	10%
Major Trauma III	First Hour	3,154	3,470	10%
	Subsequent Hours	1,166	1,285	10%
Major Trauma II	First Hour	2,478	2,725	10%
	Subsequent Hours	791	870	10%
Major Trauma I	First Hour	1,881	2,070	10%
	Subsequent Hours	657	725	10%
Recovery Room	1st Hour	620	680	10%
	2nd Add'l Hour	150	165	10%
	3rd Add'l Hour	90	100	11%
Anesthesia	First 1/2 Hour	490	540	10%
	Add'l Minute	20	25	25%
Laser Treatment	Procedure	1,600	1,760	10%
Therapeutic Abortion	Procedure	280	310	11%
Trauma Care				
Admitted/Expired	Day	4,500	4,725	5%
Treated & Released	Day	2,800	2,940	5%
Consultation	Day	750	790	5%
Pediatric - Admitted/Expired	Day	4,500	4,725	5%
Pediatric - Treated & Released	Day	2,800	2,940	5%
Pediatric - Consultation	Day	750	790	5%
Emergency Clinic				
Level I	Room	100	110	10%
Level II	Room	130	145	12%
Level III	Room	170	465	174%
Level IV	Room	310	890	187%
Level V	Room	710	1,330	87%
Level VI	Room	1,700	2,695	59%

ARTMENT OF PUBLIC HEALTH
IENT RATES
1-02
ECTIVE JULY 2001

E OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JAN 1, 2001	RATE FY 01-02 EFFECTIVE JULY 1, 2001	PERCENT CHANGE
Non-Critical Observation	0-2 Hours	100	combined w/emergency clinic services	
	2-4 Hours	280	combined w/emergency clinic services	
	4-6 Hours	480	combined w/emergency clinic services	
Critical Observation	0-2 Hours	280	combined w/emergency clinic services	
	2-4 Hours	560	combined w/emergency clinic services	
	4-6 Hours	840	combined w/emergency clinic services	
Resuscitation		1,700	1,870	10%
hiatric Emergency Services				
Crisis Intervention - PES			380	N/A
Crisis Stabilization - PES			85	N/A
eneral Clinic				
Initial				
E/M Focused Exam	Visit	90	100	11%
E/M Expanded Exam	Visit	160	175	9%
E/M Detailed Exam	Visit	180	200	11%
E/M Comprehensive Exam	Visit	250	275	10%
E/M Complex Exam	Visit	310	340	10%
Targeted Case Management	Visit	250	275	10%
Established Patient				
E/M Brief Exam	Visit	60	65	8%
E/M Focused Exam	Visit	80	90	13%
E/M Expanded Exam	Visit	110	120	9%
E/M Detailed Exam	Visit	160	175	9%
E/M Comprehensive Exam	Visit	250	275	10%
Consultation				
E/M Focused Consult	Visit	80	90	13%
E/M Expanded Consult	Visit	130	145	12%
E/M Detailed Consult	Visit	130	145	12%
E/M Comprehensive Consult	Visit	170	190	12%
E/M Complex Consult	Visit	260	285	10%
Use of Exam Room	Room	45	50	10%
ary Care				
Initial				
E/M Focused Exam	Visit	90	100	11%
E/M Expanded Exam	Visit	120	130	8%
E/M Detailed Exam	Visit	170	190	12%
E/M Comprehensive Exam	Visit	220	240	9%
E/M Complex Exam	Visit	340	375	10%
Targeted Case Management	Visit	180	200	11%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 01-02
EFFECTIVE JULY 2001

TYPE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JAN 1, 2001	RATE FY 01-02 EFFECTIVE JULY 1, 2001	PERCENT CHANGE
Established Patient				
E/M Brief Exam	Visit	45	50	10%
E/M Focused Exam	Visit	70	75	7%
E/M Expanded Exam	Visit	110	120	9%
E/M Detailed Exam	Visit	170	185	9%
E/M Comprehensive Exam	Visit	200	220	10%
Dental Services				
Initial Complete Exam	Visit	40	45	13%
Periodic Exam	Visit	40	45	13%
Prophylaxis - Adult	Visit	55	60	8%
Prophylaxis - Child	Visit	50	55	10%
Extract Single Tooth	Visit	80	90	13%
One Surface, Permanent Tooth	Visit	70	75	7%
Home Health Services				
Skilled Nursing	Visit	153	153	0%
Home Health Aide Services	Visit	79	79	0%
Medical Social Services	Visit	213	213	0%
Physical Therapy	Visit	175	175	0%
Occupational Therapy	Visit	175	175	0%
Speech Therapy	Visit	177	177	0%
Laguna Honda Hospital				
Regular Hospital Rates				
Acute	Day	1,050	1,050	0%
Rehabilitation	Day	1,050	1,050	0%
Skilled Nursing Facility	Day	360	360	0%
All Inclusive Rates				
Acute	Per Diem	1,320	1,320	0%
Rehabilitation	Per Diem	1,320	1,320	0%
Skilled Nursing Facility	Day	420	420	0%

PARTMENT OF PUBLIC HEALTH
TIENT RATES
01-02
FECTIVE JULY 2001

PE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JAN 1, 2001	RATE FY 01-02 EFFECTIVE JULY 1, 2001	PERCENT CHANGE
PULATION HEALTH & PREVENTION				
mmunity Mental Health Services				
24-Hour Service				
Inpatient	24 Hours	1,350	1,650	22%
Skilled Nursing	24 Hours	415	415	0%
Crisis Residential	24 Hours	250	260	4%
Residential	24 Hours	125	130	4%
Day Services				
Rehabilitation	Full Day	110	110	0%
Intensive	Full Day	190	190	0%
Intensive (children)	Half Day	200	200	0%
Crisis Socialization	Hour	75	75	0%
Crisis Stabilization	Hour	80	85	6%
Socialization	Hour	30	30	0%
Outpatient Services				
Case Management Brokerage	Hour	96	105	9%
Mental Health Services	Hour	150	150	0%
Medication Support	Half Hour	120	130	8%
Crisis Intervention	Hour	375	240	-36%
mmunity Substance Abuse				
Residential - Detoxification	24 Hours	87	87	0%
Residential - Basic	24 Hours	84	84	0%
Residential - Family	24 Hours	140	140	0%
Residential - Medical Support	24 Hours	207	207	0%
Recovery Home	24 Hours	70	70	0%
Therapeutic Community	24 Hours	80	80	0%
Outpatient (include Detox)	Per Contract	108	108	0%
Methadone Treatment	Hour	26	26	0%
Naltrexone Treatment	Per Contract	45	45	0%
Prevention/Intervention	Hour	52	52	0%
Day Care - Habilitative	Per Contract	112	112	0%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 01-02
EFFECTIVE JULY 2001

TYPE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JAN 1, 2001	RATE FY 01-02 EFFECTIVE JULY 1, 2001	PERCEN CHANGI
Records and Statistics				
Birth Record		Rates Per State of California	Rates Per State of California	
Death Record		Rates Per State of California	Rates Per State of California	
Permit - Disposition of Human Remains		Rates Per State of California	Rates Per State of California	
Passport Application	Per Application	15	15	0%
Passport Photo				
Adult	Per 2 Photos	10	15	50%
Apostille Walk-thru				
Same Day - Initial Request per Client	Per Apostille		40	
Same Day - Add'l Request per Client	Per Apostille		20	
Out-of-County Certificate	Per Certificate	Market Rate + $10	Market Rate + $10	
Death Certificate FAX Filing Fee - Mortuary (Under Contract)				
Per Reviewed Submission	Per Submission	5	5	0%
National Adoption Resources Booklet	Per Booklet	2	2	0%
Letter of Non-Contagious Disease	Per Letter	7	7	0%
Document / Certificate Will-Call	Per Document	5	5	0%
DEPARTMENT OF PUBLIC HEALTH				
Electronic / Internet Transaction Fee	Per Transaction	5	5	0%
Telephone / FAX Transaction Fee	Per Transaction	5	5	0%
Expedited Delivery of Documents				
Regular Delivery - U.S. & International	Per Delivery	Market Rate + $5	Market Rate + $5	0%
Same Day - Greater Bay Area	Per Delivery	Market Rate + $5	Market Rate + $5	0%
Same Day - Other California	Per Delivery	Market Rate + $10	Market Rate + $10	0%
ADULT IMMUNIZATION CLINIC				
Vaccines				
Hepatitis A	Per Injection	42	42	0%
Hepatitis B	Per Injection	50	50	0%
Influenza	Per Injection		15	
Other Vaccines	Per Injection	special price list		

Item 8 – File 01-1009

Department:	Municipal Transportation Agency
Item:	Resolution approving the incentive fee amount of $409,901 for the Booz-Allen and Hamilton contract (CS-128) for Muni Metro service improvements for payment of incentive fees under San Francisco Municipal Railway Contract No. CS-128 with Booz-Allen and Hamilton and authorizing the release of $239,126 currently held in reserve.
Amount:	$409,901
Source of Funds:	$239,126 in FY 1998-1999 funds previously reserved by the Board of Supervisors in the MTA budget, plus $170,775 in the FY 2000-2001 MTA budget, totaling $409,901.

Description:

The proposed resolution would authorize the Municipal Transportation Agency (MTA) to pay an incentive payment to Booz-Allen and Hamilton (Booz-Allen) of $409,901, for the work performed by Booz-Allen to have the Municipal Railway (Muni) meet performance goals outlined in the Muni Metro Recovery contract with Booz-Allen. This resolution would also authorize the release of $239,126 in funds previously reserved by the Board of Supervisors to partially fund the proposed incentive payment.

In November of 1998, Booz-Allen was awarded a $4,440,909 Muni Metro Recovery contract for the 13-month period from December 2, 1998 through December 31, 1999. In December of 1998, the Board of Supervisors approved funds for the Muni Metro Recovery contract as part of a larger supplemental appropriation of $14,784,305 for Muni (File 98-2010)[1]. When the supplemental appropriation was approved, the Board of

---

[1] The total supplemental appropriation of $14,784,305 included 7-months of funding for the period from December 2, 1998 through June 30, 1999 for the Booz-Allen contract ($2,630,000); technical services and supplies for the Boeing and Breda LRVs ($1,988,308); 8 new Muni positions, plus materials and supplies ($5,066,408); and budgetary offsets for decreased passenger fare revenues and Muni payments to BART ($5,099,589).

Supervisors reserved $239,126 for incentive payments under the contract with Booz-Allen.

Under the terms of the contract, Booz-Allen would receive an incentive payment equal to 10 percent of the actual costs incurred by Booz-Allen if Muni were to meet four performance measures for each of three successive target periods (March 3, 1999 to April 1, 1999; April 30, 1999 to May 29, 1999; and August 30, 1999 to September 28, 1999). Total incentive payments to be made to Booz-Allen for the three dates were not to exceed a maximum of $409,901. If Muni were to sustain the service improvement goals until the end of the contract (December 31, 1999) as a result of the contract work performed by Booz-Allen, the total incentive payment to be made to Booz-Allen was to increase from $409,901 to $888,182, or 20 percent of the total Booz-Allen contract amount of $4,440,909. The maximum incentive payment to Booz-Allen would have been $888,182 and the total maximum contract amount would have been $5,329,091 ($4,440,909 plus $888,182 in incentive payments).

The Muni Metro Recovery contract with Booz-Allen was intended to address Muni Metro Light Rail Vehicle (LRV) service problems, including service delays and line failures. The contract provided that Booz-Allen would:

(a) establish a Muni Action Team to be responsible for meeting overall schedule and service improvement goals,
(b) provide additional training for Muni operating personnel,
(c) develop more effective failure management strategies for the Advanced Train Control System (ATCS)[2],
(d) provide regular performance information to the public,
(e) improve internal communications by installing video display terminals at various stations for Muni operations personnel, distributing daily performance data to senior management, and recommending upgrades to the existing radio system and central control facilities,

---

[2] The ATCS provides control of normal LRV train operations (such as acceleration and deceleration), station stops, and door operations of the subway.

(f) conduct service planning by developing an operations plan and train schedule, conducting an origin/destination study, and conducting a customer satisfaction survey,
(g) establish maintenance standards and procedures for the Breda LRVs, which replaced the Boeing LRVs,
(h) implement an emergency retrofit program for the Boeing LRVs until fully replaced by the Breda LRVs, and
(i) work with the manufacturer of the ATCS to improve operational reliability.

Under the Muni Metro Recovery contract, Booz-Allen would receive incentive payments equal to 10 percent of the costs incurred by Booz-Allen as of the dates of the target periods, not to exceed $409,901, for meeting four specific performance measures for each of three target periods. The three target periods were March 3, 1999 to April 1, 1999; April 30, 1999 to May 29, 1999; and August 30, 1999 to September 28, 1999. The four specific performance measures were:

- An increase in the number of LRVs in service each day;
- A decrease in the number of delays due to line failures resulting in significant service delays;
- A reduction in the average system delay for each line failure; and
- An increase in on-time performance.

As noted above, under the terms of the Muni Metro Recovery contract, Booz-Allen was entitled to total incentive payments not to exceed $409,901 if all four performance measures were met by Muni on each of the target dates, with a final target date of August 30, 1999 to September 28, 1999 (see Comment 2). If the performance measures were sustained by Muni until December 31, 1999, Booz-Allen was entitled to total incentive payments of $888,182, or 20 percent of the contract amount of $4,440,909.

Approval of the proposed resolution would authorize $409,901 in incentive payments to Booz-Allen, including the release of $239,126 currently held in reserve for the incentive payments.

Comments:

1. As noted above, the subject Muni Metro Recovery contract expired on December 31, 1999. According to Mr. Vince Harris of MTA, the proposed incentive payment of $409,901 to Booz-Allen is a result of a negotiated agreement between the MTA and Booz-Allen.

2. The attached memorandum (Attachment), provided by MTA, explains the basis for the original four performance measures and the method for determining if the four performance measures were met by Muni during each of the three target periods. According to Mr. Harris, as a result of the work of Booz-Allen, Muni achieved all of the performance measures on the first and second target dates but not on the third target date. The following table shows the target and achieved performance measures for the three target dates:

	March 3, 1999 to April 1, 1999		April 30, 1999 to May 29, 1999		August 30, 1999 to September 28, 1999	
Performance Measures	Target	Achieved	Target	Achieved	Target	Achieved
• Number of vehicles in service each day	80	88	85	85	95	95
• Number of delays due to line failures per month	987	727	740	540	494	403
• Average system delay per line failure	30 minutes	28 minutes	20 minutes	20 minutes	10 minutes	13 minutes
• On-time performance	70 %	72 %	80 %	80 %	90 %	86 %

3. Under the terms of the Muni Metro Recovery contract with Booz-Allen, Muni was required to meet the four specific performance measures for each of the three target dates in order for Booz-Allen to receive an incentive payment equal to 10 percent of the costs incurred through September 28, 1999, but not to exceed $409,901. Muni achieved the four specific target measures for the periods from March 3, 1999 to April 1, 1999 and from April 30,

1999 to May 29, 1999, but, as shown in the table above, Muni did not achieve two of the four specific performance measures for the period from August 30, 1999 to September 28, 1999, including average system delay per line failure and on-time performance. For the target period from August 30, 1999 to September 28, 1999, the average system delay per line failure for LRVs was 13 minutes compared to a performance goal of 10 minutes, and on-time time performance was 86 percent compared to a performance goal of 90 percent.

4. However, Mr. Harris states that MTA has agreed to pay Booz-Allen incentive payments totaling $409,901 for all three target periods because Muni did not meet all of its obligations under the contract, thereby preventing Booz-Allen's work from having Muni achieve the four specific performance measures for each of the target periods. According to Mr. Harris, under the terms of the Muni Metro Recovery contract, if Muni did not satisfy Muni's responsibilities under the contract, Booz-Allen would be entitled to the 10 percent incentive payment for the target period, but not to exceed $409,901. Specifically, Muni's responsibilities were defined as: (a) to provide necessary funding for the entire service improvement program, for a duration of up to 12 months; (b) to establish blanket purchase orders with Alcatel (for the ATCS) and with Breda (for the LRVs) within 14 days; (c) to establish other purchasing arrangements with Breda, such as time and materials on-call services contracts, within 30 days; (d) to provide necessary key and support personnel; and (e) to solicit proposals from the private sector to provide additional communications and information technology such as remote operational status monitors and passenger information displays.

5. According to Mr. Harris, Muni was not able to negotiate a purchasing agreement within 14 days with Alcatel to provide engineering support and to make software changes to the ATCS. The actual purchasing agreement with Alcatel was established on March 30, 1999 or within 118 days. Mr. Harris states that the delay in negotiating an agreement with Alcatel contributed to Booz-Allen's inability to meet the average system delay per line failure and on-time performance measures during the third

the third target period from August 30, 1999 to September 28, 1999. Mr. Harris states that, as a result of Booz-Allen's efforts, Muni was able to meet these performance measures in the prior two target periods, from March 3, 1999 to April 1, 1999 and April 30, 1999 to May 29, 1999, because Muni was less dependent on Alcatel software upgrades.

6. According to Mr. Harris, Booz-Allen has identified two additional issues that contributed to lower performance:

(a) Muni did not negotiate a contract with Breda for time and materials on-call service contracts within 30 days, as required under the terms of the Muni Metro Recovery contract. Mr. Harris states that such a contract with Breda was established on February 5, 1999 or within 65 days.
(b) Muni was delayed in establishing a contract with Alstom for rehabilitation of the Boeing LRVs. Mr. Harris states that, although the contract with Alstom was not part of the Booz-Allen Muni Metro Recovery contract, the Alstom contract was part of the overall Muni Metro Recovery Program.

7. In addition to the Muni Metro Recovery contract with Booz-Allen, totaling $4,440,909, the Board of Supervisors appropriated $5,400,000 in order for Muni to meet its responsibilities under the Muni Metro Recovery program for the period from December 1998 through December 1999. The Muni Metro Recovery program was budgeted at $5,400,000 for expenditures for repair services for the Breda LRVs ($1,000,000), additional Breda LRV parts and services ($600,000), Breda LRV technicians ($1,000,000), Alcatel ATCS technicians ($500,000), Alcatel ATCS parts and engineering support ($1,300,000), and Boeing LRV parts ($1,000,000). Mr. Harris states that Muni met its obligations to purchase the above parts and services to support the Muni Metro Recovery program. In addition to the subject funds were expended on upgrades to Muni's Central Control Operations Room and the "Next Bus" GPS (Global Positioning System) vehicle arrival prediction pilot program.

8. According to Mr. Harris, during the 13-month term of the Muni Metro Recovery contract from December of 1998 through December of 1999, 9 additional Breda LRVs were placed in service. Mr. Harris advises that Muni staff worked jointly with Booz-Allen to achieve the four performance goals for each of the target periods, and that staff from Booz-Allen were used as an extension of Muni staff.

9. As noted previously, although Booz Allen did not achieve two of the four performance goals for the third target period from August 30, 1999 through September 28, 1999, MTA has proposed to pay an incentive payment of $409,901 to Booz-Allen under the Muni Metro Recovery contract, based upon the reported failure by Muni to negotiate agreements with Alcatel and Breda within the timelines specified by the contract, and the reported delay by Muni in establishing a contract with Alstom as part of the Muni Metro Recovery program. In addition, the Muni Metro Recovery contract with Booz-Allen provided for a total incentive payment of $888,182 (including the payment of $409,091), or 20 percent of $4,440,909, if the four performance measures achieved as of September 28, 1999, were sustained through December 31, 1999. Mr. Harris states that the four performance measures were not sustained through December 31, 1999, and as a result, MTA is proposing that Booz-Allen receive an incentive payment of $409,901, rather than the total potential incentive payment of $888,182.

10. The Budget Analyst notes that the Board of Supervisors appropriated $5,400,000 for Muni expenditures in addition to the $4,440,909 contract with Booz-Allen for parts and services, including upgrades to the Central Control Operations Room and the Next Bus GPS vehicle arrival prediction pilot program, to support the Muni Metro Recovery program. Further, Muni purchased 9 new Breda LRVs, which were placed in service during the 13-month term of the subject Booz-Allen contract. Because (a) Booz-Allen did not achieve all four performance measures for the three target periods, (b) the performance measures that were achieved for the three target periods were not sustained, (c) in addition to the appropriation of $4,440,909 for the contract with

Booz-Allen, the Board of Supervisors appropriated $5,400,000 for parts and services, which contributed to improved Muni service, and (d) nine new Breda LRVs were placed in service during the 13-month term of the Booze-Allen contract, the Budget Analyst considers approval of the proposed incentive payment of $409,901 to Booz-Allen to be a policy matter for the Board of Supervisors.

Recommendation: Because of the facts cited in Comment 10 above, the Budget Analyst considers approval of this proposed resolution to be a policy matter for the Board of Supervisors.

SAN FRANCISCO MUNICIPAL RAILWAY • CONSTRUCTION DIVISION
1145 Market Street, Fifth Floor, San Francisco, CA 94103-1545
(415) 554-0785 Fax (415) 554-3217

To: Harvey Rose,
Budget Analyst

Through: Michael T. Burns,
General Manager
Muni

From: Vince Harris
Deputy General Manager
Muni Construction Division

Date: July 12, 2001

Subject: Incentive Fee Payment to Booz-Allen & Hamilton (BAH) for Contract CS-128

Introduction:

This memo is written in response to specific questions received from the Budget Analyst's Office regarding payment of the subject Incentive Fee to Booz-Allen, Hamilton on Contract CS-128.

Background:

On August 22, 1998, MUNI simultaneously implemented five major service changes in Metro Service:

1) 1st use of the Muni Metro Turnback (MMT) in revenue service;
2) Elimination of "Reverse Riders" at Embarcadero Station;
3) N-Line Through-service to CalTrain, replacing the "CalTrain Shuttle";
4) Proof-of-Payment on the N-Line; and
5) Full use of the Advanced Train Control System (ATCS) in the extended subway.

MUNI was inadequately prepared to implement these major changes in Metro service and operations. The result was a two-week period of chaos on the Metro System, which lives on in public memory as the infamous "Muni Meltdown."

Public outcry demanded an immediate solution. Within two weeks, with help and support from the Mayor's office and the Board of Supervisors, Metro service began to recover, and has been steadily improving ever since.

During the course of the crisis, Booz-Allen was engaged to provide its services as an industry expert in developing and improving transit operations. As the engineering consultant on both the ATCS contract and the Breda Light Rail Vehicle (LRV2) procurement, Booz-Allen was in a unique position to facilitate integration of those systems. Additionally, Booz-Allen had experience in transportation start-up programs worldwide, as well as an intimate knowledge of MUNI's systems and staff. The City supported this proposed approach, and directed staff to negotiate a professional services contract with Booz-Allen for the purpose of improving MUNI Metro service, to meet specific performance goals on an aggressive timetable. The Mayor also established a Muni Council of senior City officials (including the City Attorney, Controller, Purchaser, Director of Human Resources, Muni staff and Labor representatives) to oversee the progress of Metro service improvements, and to streamline City processes in realizing the goals of the Metro Improvement Program.

On November 5, 1998, the Public Transportation Commission authorized the General Manager of the San Francisco Municipal Railway to execute Contract CS-128 for Professional Consulting Services with Booz-Allen. The objectives of the consulting services under Contract CS-128 were to assist MUNI in solving several crucial problems in delivering improved passenger services. Service quality was defined in terms of 1) system ridership capacity during peak periods; 2) maximum passenger wait times; and 3) other essential quality items such as passenger information. Service improvements were quantitatively evaluated based upon specific performance metrics:

- Daily fleet in service (number of cars)
- Line failures per month
- Average system delay per line failure
- Headway management and on-time performance

Muni Responses to Budget Analyst's Questions:

This section addresses specific questions asked by the Budget Analyst regarding Incentive Fee Payment to Booz-Allen:

1) Does the contract allow for partial payment of the Incentive Fee to Booz-Allen?

Response: The Contract does not allow for partial payment of a milestone in the Incentive package. The Contract does require that specific performance measures be achieved in order for payment to be made.

2) How were the four performance measures established for the three target periods?

Response: Booz-Allen, because of their reputation as an industry leader in transit operations and maintenance, presented a proposed level of system performance measurements that were reviewed by Muni staff, legal counsel, and the Muni Council. The consensus of these reviewers was that the performance measures proposed were acceptable, and represented targets that were in-line with industry standards.

3a) During negotiations of the Booz-Allen Contract, who determined the 14-day time line to establish a blanket Purchase Order with Breda?

Response: The 14-day time line was established jointly between staff, Booz-Allen and the Muni Council.

3b) Was the 14-day time line a short or usual time frame for establishing such a Purchase Order?

Response: This time line could be viewed as short; however, the drafters of the agreement felt it was achievable and necessary due to the urgency of the system problems. Muni assigned staff specifically to negotiate and place this work underway. However, the 14-day deadline was not achieved.

3c) How much was the incentive payment supposed to be on each of the three scheduled milestone dates?

Response: The estimated incentive payments were as follows:

- Milestone 1: March 3, 1999-April 1, 1999 - $163,051.14
- Milestone 2: April 30, 1999-May 29, 1999 - $ 63,163.35
- Milestone 3: August 30, 1999-September 28, 1999 - $183,686.35

3d) What were the actual performance measures on these milestone dates compared to the target measures?

Response: The first performance improvement milestone was measured from March 3 through April 1, 1999, and all performance improvement goals were exceeded:

- Number of cars in daily service was increased to 88, against a goal of 80 (exceeded)
- Delays per month were reduced to 727, against a goal of 987 (exceeded)
- Average duration of failures was reduced to 28 minutes, against a goal of 30 minutes (exceeded)
- On-time performance was increased to 72 percent, against a goal of 70 percent (exceeded)

The second performance improvement milestone was measured from April 30 through May 29, 1999 and all performance improvement goals were either met or exceeded:

- Number of cars in daily service was 85, against a goal of 85 (met)
- Delays per month were reduced to 540, against a goal of 740 (exceeded)
- Average duration of failures was reduced to 20 minutes, against a goal of 20 minutes (met)
- On-time performance was increased to 80 percent, against a goal of 80 percent (met)

The third performance improvement milestone was measured from August 30 through September 28, 1999 and three of the five performance improvement goals were either met or exceeded. The fifth performance goal, applied to the third milestone only, made the distinction between one and two car trains:

- Number of cars in daily service was increased to 95, against a goal of 95 (met)
- Delays per month were reduced to 403, against a goal of 494 (exceeded)
- Average duration of failures, for one-car trains, was reduced to 16 minutes, against a goal of 20 minutes (exceeded)
- Duration of failures, for two car trains, was reduced to 13 minutes, against a goal of 10 minutes (not met)
- On-time performance was increased to 86 percent, against a goal of 90 percent (not met)

The first and second milestones were met. Substantial performance improvement in all the criteria were achieved for the third milestone, although not all performance goals were met. The City did not fulfill all of their obligations under the contract, which contributed to some of the goals for the third milestone not being met.

4a) How long was the delay in placing the contract with Breda compared to the expected time of placing the contract in service?

Response: The contract required that Muni place in service a contract with Breda for time and materials on-call service within 30 days of execution of the Booz-Allen contract. In actuality, the contract with Breda was executed 65 days after the Booz-Allen contract.

4b) How did this affect Booz-Allen's ability to achieve each of the four performance measures by each of the three milestone dates?

Response: The delay in executing the Breda contract had little impact on Milestone 1 and 2; however, achievement of all performance measures in Milestone 3 were affected because a greater number of operating Breda vehicles were required in order to sustain the targeted level of two-car train performance.

Item 9 - File 01-0881

Department: Public Utilities Commission (PUC)

Item: Ordinance Adopting and Imposing Schedules of Sewer Service Charges to be Paid by Users for Fiscal Year 2001-2002 Pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code).

Description: This ordinance would adopt and impose schedules of Sewer Service Charge rates to be paid by users for FY 2001-2002 pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code). In order to qualify for Federal and State grant assistance, and in accordance with Board of Supervisors Resolution No. 656-92 which authorized the issuance of Sewer Revenue Bonds, the City must establish Sewer Service Charge rates which will provide sufficient revenue to meet the costs of operation and maintenance, replacement of equipment, and debt service of the sewer system (see Comment No. 5 for a proposed amendment to this subject ordinance).

This proposed ordinance provides for FY 2001-2002 schedules of Sewer Service Charge rates, as finally approved by PUC, which remain unchanged from the current FY 2000-2001 Sewer Service Charge rates.

Although FY 2001-2002 Sewer Service Charge revenues are projected to be $12,917,000 less than FY 2000-2001 sewer operating expenses, the Clean Water Program's revenue shortfall is not the result of additional debt service on bonds or a declaration of emergency, which would have permitted Sewer Service Charge rate increases under Proposition H approved by the voters in June of 1998 (see Comment 1). Consequently, on May 8, 2001, the Public Utilities Commission recommended no change in the Sewer Service Charge rates charged to average residential accounts and average commercial/industrial accounts effective July 1, 2001 through June 30, 2002 (FY 2001-2002). These rates will have the following impact on residential customers assuming no increase in consumption:

	Monthly Sewer Bills			
	Current	Proposed	Amount Increase	Percent Increase
Average Apartment Unit	$14.97	$14.97	$0.00	0%
Average Single Family Dwelling	$24.68	$24.68	$0.00	0%
Statistical Average for All Residential Units	$18.46	$18.46	$0.00	0%

According to Mr. Bill Berry of the PUC, the Clean Water Enterprise Unappropriated Fund balance accounts for surplus revenues set aside to mitigate the impact of unforeseen events, such as large emergency expenditures or revenue shortfalls, on future Sewer Service Charge rate increases. The recommended zero percent increase in Sewer Service Charge rates for FY 2001-2002 results in a projected FY 2001-2002 year-end Clean Water Enterprise Unappropriated Fund balance of $51,620,000 based on the projected FY 2001-2002 beginning Clean Water Enterprise Unappropriated Fund balance of $64,537,000 and projected expenditures in excess of projected revenues in the amount of $12,917,000.

In accordance with Board of Supervisors Resolution No. 656-92, which amended the master indenture for the issuance of all Sewer Revenue Bonds, net revenues in each Fiscal Year (total Sewer Service Charge revenues less operations and maintenance expenditures) plus the Unappropriated Fund balance must be equal to at least 1.25 times the revenue bond annual debt service due in that fiscal year (commonly known as the required debt service coverage ratio). As of June 30, 2000, the PUC had outstanding revenue bond indebtedness of approximately $491,300,000 (Series 1991, 1992, 1994 and 1995). Projected FY 2001-2002 debt service for these bonds is approximately $48,918,000. Based on (a) the PUC's recommended rate increase of zero percent, and (b) resulting net revenues and Unappropriated Fund balance of $115,415,000, the projected debt service coverage at the end of FY 2001-2002 is 2.36 which exceeds the required debt service coverage ratio of 1.25.

Comments: **Water and Sewer Service Charge Rate Freeze**

1. Proposition H, approved by the voters on June 2, 1998, mandates that Water rates and Sewer Service Charge rates are to remain at their current levels until July 1, 2006, subject to the following exceptions:

- With the concurrence of the Board of Supervisors and the approval of the Mayor, the rate freeze would not apply to the fees for water rates charged to Water Department customers located outside of San Francisco.
- The rate freeze could be suspended if the City declared an emergency, as defined by the Charter.
- The fees could be increased to repay the money borrowed by the City through the issuance of Water Revenue Bonds for improvements to the water system approved by the voters in November of 1997, but such increases could not exceed a total of 18 percent during the period between July 1, 1998 and July 1, 2006.
- The fees could be increased to repay money borrowed for further improvements to the water and sewer systems approved by the voters in the future.

2. Without future Sewer Service Charge rate increases, the PUC currently estimates that its Clean Water Enterprise Unappropriated Fund will have a deficit balance of an estimated $7,000,000 in FY 2005-2006. Moreover, even though the PUC currently has authorization to issue approximately $90,000,000 in Sewer Revenue Bonds for capital improvements, debt service on any bond issuance authorized prior to voter adoption of Proposition H must be paid from revenue earned under existing Sewer Service Charge rate revenues since debt service on such bonds was not exempted from the rate freeze mandated by Proposition H. Therefore, Sewer Service Charge rates could not be increased to pay for such increased future debt service without specific voter approval of a new bond authorization.

3. Without additional voter approval prior to FY 2005-06 to permit Sewer Service Charge rate increases to pay debt service on bonds to fund the PUC's capital improvement

program, the PUC will need to either defer a portion of the capital improvement program or reduce funding for operations and maintenance. According to Mr. Berry, within the next two months, the PUC intends to request the Mayor and the Board of Supervisors to present a measure to the voters to authorize the issuance of up to $812,000,000 worth of additional Sewer Revenue Bonds to fund the replacement of the equipment at the Southeast Water Pollution Control Plant and other clean water capital projects over the next ten years.

4. According to Mr. Berry, Water Revenue Bond ratings were downgraded by Standard and Poor's on July 9, 2001, from AA– to A+. While the downgrade of the Water Revenue Bonds does not directly affect Sewer Revenue Bonds, Mr. Berry advises that it is likely that the PUC could be downgraded for Sewer Revenue Bonds as well.

5. Mr. Berry states that financial projections indicate that, as a result of the Sewer Service Charge rate freeze, the Clean Water Enterprise is expected to have a Clean Water Enterprise Unappropriated Fund deficit balance of $7,000,000 by July 1, 2006. However, Mr. Berry advises that PUC bond attorneys believe that, irrespective of the Proposition H Sewer Service Charge rate freeze mandated by the City voters in June of 1998, the PUC would still have the authority, subject to Board of Supervisors approval, to increase Sewer Service Charge rates to meet its bond covenant requirements in order to generate sufficient revenues which would pay the Clean Water Enterprise's operating costs, pay the debt service on the Sewer Revenue Bonds, and maintain the clean water system in working order.

Proposed Amendment to Sewer Rate Schedule A

6. Section 41.4(p) of the San Francisco Administrative Code, which covers residential hotel unit conversion, defines a residential hotel as "Any building or structure which contains a residential unit as defined in (q) below ..." Section 41.4(q) defines a residential unit as:

> "Any guest room ... which had been occupied by a permanent resident on September 23, 1979. Any guest

> room constructed subsequent to September 23, 1979 or not occupied by a permanent resident on September 23, 1979 shall not be subject to the provisions of this Chapter; provided however, if designated as a residential unit pursuant to Section 41.6 of this Chapter [Initial Status Determination] or constructed as a replacement unit, such residential units shall be subject to the provisions of this Chapter."

Section 41.4(n) defines a permanent resident as "A person who occupies a guest room for at least 32 consecutive days."

7. Sewer Rate Schedule A is contained in Section 5 of the Sewer Service Charge Ordinance and specifies the Sewer Service Charge rates for residential dwellings with cooking facilities. According to Mr. William Laws of the PUC, the proposed amendment to Sewer Rate Schedule A of this subject ordinance would deem residential hotel units to be dwelling units after December 31, 2001, in order to provide Sewer Service Charge rate relief to residential hotels providing permanent housing as defined in Chapter 41 of the San Francisco Administrative Code. Currently, a residential hotel without cooking facilities is charged a Sewer Service Charge rate of $4.0996 per month per 100 cubic feet of wastewater generated by the entire residential hotel.

Under the proposed amendment, the first 300 cubic feet of wastewater generated each month by an individual residential hotel unit without cooking facilities used for permanent residence purposes, as opposed to tourist purposes, would be billed at the lower Sewer Rate Schedule A "lifeline rate" of $1.8623 per 100 cubic feet per month paid by all other residential ratepayers for the first 300 cubic feet of wastewater. Wastewater generated by each permanent residential hotel unit in excess of 300 cubic feet per month would be billed at the regular Sewer Rate Schedule A "excess of lifeline rate" of $4.8334 per 100 cubic feet per month paid by residential ratepayers for all wastewater in excess of 300 cubic feet per month.

8. Mr. Laws advises that there are currently 458 residential hotels subject to the reporting requirements of

Chapter 41 of the San Francisco Administrative Code. Of that number, 157 residential hotels have a mixture of tourist and residential units, while the remaining 301 residential hotels comprise only residential units. The proposed amendment would reduce the Sewer Service Charge rates for residential units only. Mr. Laws states that if the proposed amendment is approved by the Board of Supervisors, the PUC would be required to develop, adopt, and implement rules and regulations by December 31, 2001 to (a) define and identify each of the residential hotels which are not currently subject to regulation under Chapter 41 of the San Francisco Administrative Code, and (b) efficiently manage the application of Sewer Rate Schedule A to residential hotel units.

9. As stated in the Attachment provided by Mr. Laws, the proposed amendment would result in a total annual reduction in Sewer Service Charge revenues to the City of $975,006 for the 453 residential hotels subject to the reporting requirements of Chapter 41 of the San Francisco Administrative Code which can be matched between the Department of Building Inspection and PUC databases at this time[1]. This annual revenue reduction to the City of $975,006 represents an average annual savings of approximately $2,150 per residential hotel, or a 25.7 percent annual reduction for residential hotels as a group.

Mr. Laws advises that another billing analysis prepared by the PUC calculated a maximum annual revenue reduction to the City of $80 per residential unit. Based on the Department of Building Inspection's figure of 20,013 residential units in the aforementioned 453 residential hotels, this would result in a maximum annual Sewer Service Charge revenue reduction to the City of $1,601,040.

Therefore, according to Mr. Laws, the proposed amendment could result in reduced annual Sewer Service Charge revenues of between $975,006 and $1,601,040. For the 4.5 year period between the January 2, 2002 implementation date of the proposed amendment and the July 1, 2006 expiration of the Proposition H Sewer Service Charge rate freeze, the maximum reduction in Sewer Service Charge revenues to the City would be $7,204,680 (4.5 years times $1,601,040 per year), plus up to $1,300,000 over the 4.5 year time period in additional administrative costs to be incurred by the PUC, according to Mr. Laws, resulting in a total additional cost to the City of an estimated $8.5 million.

---

[1] According to Mr. Laws, five of the 458 residential hotels cannot currently be matched between the two databases.

10. Some residential hotels have a mixture of tourist and residential units. As explained in the Attachment, Mr. Laws advises that determining which units are used for tourist purposes, as opposed to permanent residence purposes, could be difficult. Rooms designated for permanent residence might, in fact, be used for tourist accommodations during the tourist season. According to Mr. Laws, Sewer Service Charge rate relief for such residential hotels could possibly result in incorrect reporting by residential hotel owners which could then lead to incorrect Sewer Service Charge rate reductions. Mr. Laws states that the PUC would develop procedures for determining the correct Sewer Service Charge billings to the residential hotels, if the proposed ordinance is approved. Such procedures might include monthly or quarterly on-site inspections of residential hotels. As explained in the Attachment, the PUC estimates an additional two full-time Classification 5206 Associate Civil Engineers or Classification 5208 Civil Engineers would be required to monitor residential hotels for their eligibility for Sewer Service Charge rate reductions, at an estimated annual cost of between $151,746 and $208,905, including mandatory fringe benefits. Such costs are included in the previously mentioned $1,300,000 of additional costs to be incurred by the PUC. The PUC is proposing to conduct field investigations to determine what procedures could be implemented without placing an undue burden on either residential hotel owners or the PUC.

11. Regarding the proposed amendment, Mr. Laws also states that the PUC has three general concerns with respect to this amendment. The first is revenue loss. Until 2006, Proposition H will prevent the Clean Water

Enterprise from recovering the revenue loss resulting from the proposed amendment. The PUC is already projecting a $7 million deficit balance by July 1, 2006, the end of the rate freeze imposed by Proposition H. According to Mr. Laws, approval of the proposed amendment would result in the addition of $8.5 million to the projected deficit. Second, the PUC is concerned about the administrative burden imposed by this amendment, due to the challenge of ensuring rate relief goes only to the intended recipients of the proposed amendment. The PUC recognizes it is ill-equipped to perform policing functions. Finally, the PUC is concerned about rate equity and whether this amendment provides disproportionate rate relief to one group of customers. The PUC argues that this question can only be answered with a more complete analysis of costs and benefits.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

SFPUC
WATER
HETCH HETCHY
WATER & POWER
CLEAN WATER

San Francisco
Public Utilities Commission
Bureau of Finance
1155 Market St., 5th Floor
San Francisco, CA 94103

MEMORANDUM

DATE: JULY 12, 2001

TO: ALAN GIBSON, BUDGET ANALYST'S OFFICE

CC: BILL BERRY, ASSISTANT GENERAL MANAGER FOR FINANCE AND ADMINISTRATION, SFPUC

FROM: WILLIAM H. LAWS, RATE ADMINISTRATOR, SFPUC

SUBJECT: RESPONSES TO QUESTIONS REGARDING IMPACTS OF SRO RATE RELIEF

---

1. How is the average savings per residential hotel calculated?

   The SFPUC, using information contained in the Department of Building Inspections' (DBI) Annual Hotel Unit Usage Report, prepared a billing analysis which calculated the annual sewer service charge for each residential under the existing rate as well as using the residential rate. For purposes of this analysis, the lifeline component of the rate was calculated using the number of rooms indicated in the Annual Hotel Unit Usage Report. The analysis shows an aggregate savings of $975,006 for the 453 residential hotels for which customer account records could be identified. The average savings for those hotels is $2,150 (i.e. $975,006/453).

2. What is the estimated average percentage decrease if the sewer service charge for residential hotel?

   Again, using the analysis prepared by the SFPUC, the average percentage decrease for residential hotels as a group is 25.7%. The percentage savings is calculated using the savings divided by the revenues under existing rates (i.e. $975,006/$3,797,175). The percentage savings for individual hotels varied significantly. Some hotels had savings greater than 50%, while a few hotels would have no savings and would pay more under the residential rate.

3. How is the $1 million to $1.6 million decrease in revenues calculated?

   The range of potential revenues losses is developed using several different analyses. Utility Cost Management, a consulting firm that presented the request for rate relief to the Commission, estimated the potential revenue loss to the Clean Water Program at $1 million to $1.3 million. The billing analysis prepared by the SFPUC for residential hotels calculated the revenue loss at $1 million. Another analysis by the SFPUC calculated a maximum annual revenue loss of $80/ room. When the maximum annual revenue loss per room is multiplied by the total number of rooms identified as being used for permanent housing in the DBI report, a potential revenue loss of $1.6 million ($80/room X 20,013 rooms) is calculated.

\\BUDGET-01SVR\VOL1\USERS\AGIBSON\[illegible]2.doc

4. Why have residential hotels been charged a higher rate?

   The rate for hotels without cooking facilities is actually less than the regular residential rate. Residential customers, however, are billed for the first three units per dwelling unit per month at a lifeline rate that excludes certain capital related costs. The terms of service for the residential rate (including the lifeline component) limit its application to dwelling units with a kitchen intended to be used by one family doing its own cooking. If each room of a residential hotel is considered a dwelling unit for purposes of applying the residential rate, hotels with low use per room could see a reduction in their sewer service charge if billed at the residential rate. It was a policy decision of past Boards of Supervisors to make residential hotels ineligible for the residential rate.

5. What additional resources would be required by the PUC to implement the proposed amendment?

   The proposed amendment would apply the residential rate to residential units as defined in Chapter 41 of the Administrative Code and require the SFPUC to identify other residential hotel units that might be eligible for the residential rate. To comply with the amendment, the SFPUC would need to develop and implement a program to identify and monitor the number of residential units. The Annual Hotel Unit Usage Report prepared by DBI is good beginning, however, the report is based on self-reporting and the SFPUC has observed inconsistencies in the report. The SFPUC will need to conduct a field inventory of all identified residential hotels and develop a protocol for identifying other residential units that are not currently identified as residential hotels. The SFPUC will also need to develop a procedure for monitoring dwelling unit use to ensure the lifeline rate is not applied to rooms used for tourist accommodations. Customer account records will also need to be revised and periodically updated to implement the amendment. The SFPUC currently estimates a minimum of two full-time inspectors will be required.

6. What administrative difficulties are expected?

   The difference between a hotel room used for tourist accommodation and permanent residency cannot be determine from physical appearance or water usage characteristics, but is based more on the intended use by the property owner and the tenant. Verifying intent is expected to be difficult particularly with regard to rooms that are not currently occupied. The SFPUC anticipates difficulty in maintaining current data on eligibility and use. In order to minimize the cost of administration, the SFPUC will rely on self-reporting with random field verification.

7. How will this amendment deal with residential hotels that illegally rent rooms designated for permanent residency to tourists?

   This question relates to the prior question regarding administrative difficulties. The SFPUC anticipates it will be difficult to identify rooms certified for permanent residency that are rented for tourist use. The amendment does not give any authority to the SFPUC nor does the SFPUC want any authority to enforce the provisions of Chapter 41 of the Administrative Code.

8. How will this amendment deal with residential hotels that only allow residents to stay for 29 day?

   Under the amendment, the SFPUC cannot differentiate between hotels that limit occupancy to 29 days and those that allow longer occupancy. If a room fits the definition of residential unit as stated in Chapter 41, that room will be considered a dwelling unit for rate purposes.

The SFPUC has three general concerns with respect to this amendment. The first is revenue loss. Until 2006, Proposition H will prevent the Clean Water Enterprise from recovering the revenue loss resulting from this amendment. The SFPUC is already projecting a $7 million deficit at the end of the rate freeze imposed by Proposition H. The rate relief provided by this amendment will add $8.5 million to the projected deficit. Second, the SFPUC is concerned about the administrative burden imposed by this amendment. As stated in our responses to the questions posed, the SFPUC anticipates certain difficulties implementing and administering the requirements of this amendment. The SFPUC recognizes at the outset that there will be challenges ensuring rate relief goes only to the intended recipients of this amendment. However, the SFPUC also recognizes it is ill equipped to perform policing functions. Finally, the SFPUC is concerned about rate equity and whether this amendment provides disproportionate rate relief to one group of customers. That question can only be answered with a more complete analysis of costs and benefits.

25

City and County of San Francisco
Meeting Minutes
Finance Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

01

Wednesday, July 25, 2001 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

DOCUMENTS DEPT.
JUL 3 0 2001
SAN FRANCISCO
PUBLIC LIBRARY

Meeting Convened

The meeting convened at 10:10 a.m.

010944 **[Treasure Island Police Training Sublease]**
Supervisor Daly

Resolution approving an eighteen (18) month sublease between the City and County of San Francisco ("City") and the Treasure Island Development Authority (the "Authority") for the Austin Hall Complex (Buildings 461, 462, and 463), the Gymnasium (Building 402), the Ship Shape Building (Building 497), and related outdoor and parking areas on Treasure Island for training activities, for an annual rent of $1,200,000 per year retroactive to July 1, 2000.

(Fiscal impact.)

5/21/01, RECEIVED AND ASSIGNED to Finance Committee.

7/20/01, SUBSTITUTED. 7/20/01, department submitted substitute resolution with same title, to correct format and provide Controller's signature.

Heard in Committee. Speakers: Supervisor Leno; Harvey Rose, Budget Analyst; Supervisor Daly; Supervisor Peskin; Captain Goldberg, Police Department; Anne Marie Conroy, Director, Treasure Island Development Authority (TIDA); Ken Bruce, Budget Analyst's Office; Supervisor Gonzalez; John Elberling; Susan Po-Rueino, Commissioner, (TIDA); Sherry Williams, Executive Director, TIHDI; Carrie Dipman; Deborah Williams; Terinell Pelley, Toolworks; Don Waxman, Rubicon Enterprise; Steve Kawa, Mayor's Office; Bruce Franks, TIHDI; John Stewart, John Stewart Company; Harlen Van Wye, Treasure Island Yacht Club; Therese Quinlan, Alzheimer's Association; Lowell Young; Jamie Magel; Mike DeLane, Citizens Advisory Board (TIDA); Lauralee and Richard Marcus; Eve Bach, Arc Ecology; Tom Allen, Treasure Island Sailing Center (TISC); Jay Palace, (TISC); Jenny Barba; Leeann Prifti, Diamond Heights Association; Joe Julian; Ed Harrington, Controller.

TABLED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

DOCUMENTS DEPT.
JUL 3 0 2001
SAN FRANCISCO
PUBLIC LIBRARY

011226 **[Reserved Funds, Aging and Adult Services]**

Hearing to consider release of reserved funds, Department of Aging and Adult Services (File 010370, Ordinance No. 60-01), in the amount of $1,015,000 to fund the "unmet needs" of seniors. (Adult and Aging Services)

7/2/01, RECEIVED AND ASSIGNED to Finance Committee. Department requests this item be calendared at the July 25, 2001 meeting.

Corrected release amount to $1,015,000 as requested by department.
Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Sandra Nathan, Department of Aging and Adult Services (DAAS); Supervisor Leno; Supervisor Gonzalez; Darrick Lam, DAAS; Supervisor Peskin; John Clark, Deputy Director, DAAS; Bernie Rush, Senior PAC; Bill Hollabaugh, Advisory Council to DAAS. Continued to August 1, 2001.

CONTINUED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011084 **[Emergency Repair, Hetch Hetchy San Joaquin Pipeline No. 1]**

Resolution authorizing expenditure of funds for emergency repair of corrosion in San Joaquin Pipeline No. 1 of the Hetch Hetchy Aqueduct. (Public Utilities Commission)

6/6/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Leno; Laurie Park, Hetch Hetchy Water and Power.
7/25/01, Amended on page 1, line 21 to replace "four" with "three"; same title.
AMENDED.

RECOMMENDED AS AMENDED.. by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011229 **[Contracting out facility security services]**

Resolution concurring with the Controller's certification that facility security services for the Municipal Transportation Agency can be practically performed by a private contractor at a lower cost than by City and County Employees. (Municipal Transportation Agency)

7/3/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.
RECOMMENDED.. by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011230 **[Contracting out Convention Facilities management, operation and maintenance services]**

Resolution concurring with the Controller's certification that Convention Facilities management, operation and maintenance services can be practically performed at Bill Graham Civic Auditorium and the Moscone Center by private contractor for a lower cost than similar work services performed by City and County employees. (Administrative Services Department)

7/3/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.
RECOMMENDED.. by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

011174 **[Hotel Tax Funds]**

Ordinance amending San Francisco Business and Tax Regulations Code Section 515.01 to revise the portion of Hotel Tax Funds allocated for, and omit the time limitation on, rent supplements for low-income households. (Mayor)

(Fiscal impact.)

6/18/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 7/18/2001.

7/16/01, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

7/16/01, ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Joe LaTorre, Mayor's Office of Housing.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011322 **[Grant - Department of the Environment]**

Mayor

Resolution authorizing the Department of the Environment to accept and expend a grant in the amount of $7,800,000 from the California Public Utilities Commission for a small business lighting retrofit program. (Mayor)

7/16/01, RECEIVED AND ASSIGNED to Economic Vitality, Small Business and Social Policy Committee.

7/17/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Mark Russell, Department of Environment. 7/25/01, Amend on page 1, line 2 to delete "and expend"; and line 22 to delete "and to implement and carry out the purposes specified in the contract"; new title.

AMENDED.

Resolution authorizing the Department of the Environment to accept a grant in the amount of $7,800,000 from the California Public Utilities Commission for a small business lighting retrofit program. (Mayor)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011227 **[Children's Council of San Francisco]**

Resolution urging the Board of Supervisors to authorize continuing the service level and enrollment for CalWORKS child care by renewal of the existing contract with the Children's Council of San Francisco, a California corporation, to continue with said contract in enrollment, program costs and number of capacity building initiatives. (Human Services Department)

(Fiscal impact.)

7/2/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; David Curto, Director of Contracts, Department of Human Services; Supervisor Leno.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

SPECIAL ORDER - 12:00 P.M.

010059 **[Catastrophic Sick Leave Program]**

Supervisors Ammiano, Peskin

Ordinance repealing Section 16.9-29 of the San Francisco Administrative Code and replacing it with new Section 16.9-29A to authorize the transfer of vacation and sick leave credits to a pool of catastrophically ill employees and to individual catastrophically ill employees, and adding new Section 16.9-29B to authorize the transfer of vacation credits to individual employees with catastrophically ill family members.

(Fiscal impact.)

1/6/01, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 2/15/2001.

2/1/01, TRANSFERRED to Public Health and Environment Committee. New committee structure.

7/17/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Harvey Rose, Budget Analyst; Alice Villagomez, ERD, Department of Human Resources. Supervisor Leno; Ed Gazzano, Director of Human Resources, Department of Public Health.

Supervisor Peskin requests to be added as cosponsor.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

011163 **[Property-related Subsidies to Nonprofit Arts Organizations]**

Supervisor Ammiano

Ordinance revising the terms and conditions for the expenditure of an earlier appropriation of 1.5 million dollars to give rent, relocation, capital improvement and real property acquisition assistance to nonprofit arts organizations that are in immediate danger of being evicted or displaced by rent increases, and otherwise amending the terms of the assistance program.

6/18/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 7/18/2001.

Heard in Committee. Speakers: Supervisor Ammiano; Harvey Rose, Budget Analyst; Jewella Gomez, Arts Commission; Supervisor Leno; Alma Robinson, California Lawyers for the Arts; Supervisor Peskin; Catherine McMann; Leslie; Debra Walker; Tony Kelley; Torri Randall; Tamara Foster; Joe; Christine; John; Gail Silva; Jeff Jones; Supervisor Leno; Ted Lakey, Deputy City Attorney.

Supervisors Leno and Peskin requested to be added as cosponsors.

7/25/01, Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

.25

5/01

CITY AND COUNTY OF SA

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 19, 2001

DOCUMENTS DEPT.
JUL 24 2001
SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: July 25, 2001 Finance Committee Meeting

Item 1 - File 01-0944

Department:	Police Department (SFPD) Treasure Island Development Authority
Item:	Resolution approving a new sublease between the City and the Treasure Island Development Authority for a regional Police Department Academy on Treasure Island, to be used for Police training activities.
Location:	The subject property on Treasure Island is generally bounded by 9th Street to the North, 10th Street to the South, L Street to the West and M Street to the East.
Purpose of Sublease:	Under the proposed sublease, the Police Department would use the Treasure Island property for training purposes.
Lessor:	U.S. Navy (Master Lease)
Lessee/Sublessor:	Treasure Island Development Authority
Sublessee:	Police Department
Term of Sublease:	Commencing retroactive to July 1, 2000 and terminating on December 31, 2001, for a sublease term of 18 months or 1½ years (See Comment No. 2).
Right of Renewal:	None

Site and Number of Square Feet:	Approximately 4.8 acres (209,000 square feet), including a large gymnasium, a single story metal structure generally used for recreation activities, and a two-story commercial building shell, formerly used for offices, classrooms and an auditorium, which would require substantial renovation for it to be put into service to be used as a training facility (See Comment No. 7).
Rent and Other Costs Payable to the Treasure Island Authority by the Police Department:	$1,200,000 in rent per year, paid annually in advance of the first day in July for each fiscal year during the 1.5 year term of the sublease (see Comment No. 2). In addition to the $1,200,000 annual rent, the Police Department would be required to pay to Treasure Island Development Authority: (a) the Common Area Maintenance Charge (Navy CAM Charge) charged by the Navy to the Treasure Island Development Authority under the Master Lease. Under the proposed sublease, the Police Department would be required to pay $3,170 per month, or $38,040 annually, to the Treasure Island Development Authority for the CAM Charge[1]; (b) a monthly Landscaping Charge of $2,600, for a total annual charge of $31,200; (c) utilities expenditures of $36,000 annually; and, (d) facilities maintenance expenditures, including janitorial expenditures, of $104,957 annually. Although the Police Department's FY 2001-2002 budget includes the utilities and facilities maintenance expenditures, the Police Department did not pay the Treasure Island Development Authority for such costs for utilities and facilities maintenance during FY 2000-2001.

---

[1] According to Mr. Stephen Proud of the Treasure Island Development Authority, the CAM charges of $38,040 are based on $0.05 per square foot per month for the interior space of the Police training facilities consisting of approximately 63,400 square feet and the annual Landscaping charges of $31,200 are based on $0.025 per square foot per month for the exterior space consisting of 104,000 square feet.

On an annual basis, total charges to be paid by the Police Department to the Treasure Island Development Authority are as follows:

Rent	$1,200,000
Common Area Maintenance Charge	38,040
Landscaping Charge	31,200
Utilities *	36,000
Maintenance * (includes janitorial services)	104.957
Total	$1,410,197

* To be based on actual costs

Mr. Stephen Proud of the Treasure Island Development Authority advises that the Police Department is required to pay the CAM and the Landscaping Charges monthly to the Treasure Island Development Authority. The proposed sublease contains no provisions for annual adjustments in the rent, the CAM Charge, or the Landscaping Charge. Utilities and facilities maintenance expenditures will depend on the actual costs for such items.

Type of Training at Treasure Island Compared to the Training Provided at the Diamond Heights Facility:

Between the fall of 1998 and January 1, 2001, the Police Department provided limited training on Treasure Island, as a supplement to training taking place at the City-owned Diamond Heights Police Academy located at 350 Amber Drive. The SFPD reports that during the first six months of FY 2000-2001 the Treasure Island facility was used a total of 40 days to provide in-service training for existing Police Officers to approximately 400 San Francisco Police Officers. Such training included "Perishable Skills" training mandated by the State whereby Police Officers would renew their knowledge and ability to provide Cardio-Pulmonary Resuscitation (CPR) and First Aid.

According to Captain Dan Lawson, Director of Training for the SFPD, the Police Department ceased providing any training at Treasure Island on January 1, 2001, because needed capital improvements were not completed and the facility was not useable for training purposes (see Tenant Improvements, below).

By contrast, the Diamond Heights Police Academy was used a total of 300 days in FY 2000-2001 to provide initial police training to 250 new recruits (a total of 140 days for each recruit of classroom and simulator training mandated by the State for attainment of Peace Officer status) and in-service training to 800 Police Officers. Specific types of in-service training provided include the following:

- Perishable Skills Training (CPR and First Aid);
- Arrest and control techniques (use of handcuffs and baton);
- Verbal commands;
- Emergency Vehicle Simulator Training
- Force Options Simulations (when and how to use force in arresting or controlling a suspect);
- Officer Safety;
- Patrol Techniques;
- Special Weapons;
- Investigative, Interview and Interrogation Techniques.

In addition, the Diamond Heights Police Academy is also used for a variety of classes and meetings and has a community room that is used most weekends and some evenings by a variety of community groups for activities unrelated to Police training.

As previously noted, during the first six months of FY 2000-2001, the Treasure Island facility was used a total of 40 days to provide in-service training to approximately 400 San Francisco Police Officers. However, the Treasure Island facility has not been used for training purposes since January 1, 2001. By contrast, the Diamond Heights Police Academy was used a total of 300 days in FY 2000-2001 to provide initial police training to 250 new recruits (a total of 140 days for each recruit) and in-service training to 800 Police Officers.

Source of Funds: Funding for the proposed sublease rent of $1,200,000 was included in the Police Department's Fiscal Year 2000-2001 budget and also in the Fiscal Year 2001-2002 budget (See Comment No. 2). As noted above, the Police Department has included funding for utilities and facilities maintenance in their FY 2001-2002 budget. As noted in Comment 3, below, the Police Department's FY 2000-2001 and FY 2001-

2002 budget does not include the CAM charges of $38,040 and Landscaping charges of $31,200.

The Police Department's annual operating costs for the Diamond Heights Police Academy includes utilities of $23,880, maintenance and repairs of $30,030, and janitorial services of $69,319 for total costs of $123,229 in FY 1999-2000 and estimated total expenditures of $181,529 in FY 2000-2001. Such expenditures are included in the FY 2001-2002 Police Department budget at a total cost of $190,000.

Description: On May 2, 1997, the Board of Supervisors authorized the creation of the Treasure Island Development Authority as a nonprofit public benefit corporation to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former United States Naval Station Treasure Island (Resolution No. 244-97-3). On October 12, 1997, the California Legislature approved the Treasure Island Conversion Act of 1997, which designated the Authority as a trustee of the State Tidelands Trust and as a redevelopment agency with jurisdiction over Treasure Island and Yerba Buena Island. The Treasure Island Development Authority currently leases from the Navy the facility to be used as a Police Department training academy under a 5-year Master Lease, which began on April 5, 1999 and will terminate on April 4, 2004. However, Mr. Proud advises that the Master Lease with the Navy will no longer be necessary once the Treasure Island Development Authority completes the transfer of ownership of the Naval Station on Treasure Island from the Navy to the Treasure Island Development Authority, expected during Fiscal Year 2001-2002.

The proposed resolution would authorize a sublease between the Police Department and the Treasure Island Development Authority for the Police Department to use the Police Academy facility on Treasure Island. As previously noted, the facility consists of a large gymnasium, a single story metal structure generally used for recreation activities, and a two-story commercial building shell, formerly used for offices, classrooms and an auditorium, which would require substantial renovation for it to be put into service.

The Budget Analyst notes that because the subject sublease would expire on December 31, 2001, any longer-term plans for the Treasure Island Police Academy would be contingent upon a new sublease between the Police Department and the Treasure Island Development Authority, which would require Board of Supervisors approval.

Tenant Improvements:

Under the proposed sublease, the Police Department would be responsible for all improvements to the Treasure Island facility. As shown in Attachment II, provided by the Police Department, the Police Department has work ordered, through the Department of Public Works, a total of $918,917 in improvements to the Treasure Island Police Academy facility since August of 1999. To date, actual expenditures have been $247,725 of the $918,917 in work ordered improvements. A capital improvement appropriation in the amount of $1,149,400 that was approved in the FY 1999-2000 budget was used as the source of funds for such improvements.

The Budget Analyst notes that an appraisal of the subject Treasure Island training facility, commissioned by the Treasure Island Development Authority and completed by Clifford Associates in July of 2000 (see Comment No. 6), states that the two-story commercial building shell "now reflects an aging shell structure requiring substantial renovating in order for it to be put into service."

The Police department estimates that the subject training facility on Treasure Island would require approximately $3,000,000 in additional renovations and repairs in order to make the facility suitable as a full time training academy.

Also, as noted above, the Police Department has not used the Treasure Island facility for training purposes since January 1, 2001. According to Captain Dan Lawson Director of Police Training, the facility will not be used again until the balance of $671,192 ($918,917 less ($247,725) in repairs, as listed in Attachment II, is completed. However, according to Captain John Goldberg of the Police Department, the Police Department has instructed the Department of Public Works to cease the repair work until a final determination has been made regarding the location of a permanent Police Academy that will meet all of the Police Department's training needs (see Comment 1 below).

Comments:

1. Attachment I is a letter from the Chief of Police, stating that the Police Department intends to examine all options in order to make a final determination of whether to locate a permanent Police Academy at either Treasure Island on a lease basis or at the City-owned Diamond Heights facility within the next five months, and report back to the Board of Supervisors prior to the expiration of this proposed subject sublease agreement on December 31, 2001 on the results of this determination. In doing so, the Police Department will examine the financial and operational issues of either a) making capital improvements to the existing facility in Diamond Heights, which would require a new gymnasium, new classroom space and general renovations (a preliminary cost estimate has not been made for such improvements at the Diamond Heights facility); or, b) making further capital improvements to the Treasure Island facility, with a preliminary estimated cost of $3,000,000, in order to make it suitable for use as the full time Police Academy.

2. Captain Goldberg advises that the Police Department is only now seeking approval from the Board of Supervisors for the subject sublease, retroactively for the period from July 1, 2000 through December 31, 2001, because the Police Department has been negotiating with the Treasure Island Development Authority to finalize the proposed sublease since the beginning of Fiscal Year 2000-2001. Captain Lawson advises that the Police Department first started using the Treasure Island facility, rent free, for training purposes in the Fall of 1998 with no formal sublease between the Police Department and Treasure Island.

3. According to Captain Goldberg, upon approval of the proposed sublease and the release of reserved funds (see Comment No. 3), the Police Department would pay to the Treasure Island Development Authority the entire $1,200,000 in rent for FY 2000-2001, previously appropriated in the Police Department's FY 2000-2001

budget. The Budget Analyst notes that the Police Department would also owe to Treasure Island a total of $38,040 in CAM Charges and $31,200 in Landscaping Charges, discussed above, retroactive to July 1, 2000, for a one-time total payment of $1,269,240 ($1,200,000 rent plus $38,040 for 12 months of CAM Charges and $31,200 for 12 months of Landscaping Charges). However, According to Officer Tom Strong of the Police Department, the Police Department did not include in its FY 2000-2001 budget the $38,040 in CAM and the $31,200 in Landscaping charges because the Police Department was not aware that such charges would be required. As noted above, the Police Department did not pay the Treasure Island Development Authority for utilities or facilities maintenance costs, including janitorial services, during FY 2000-2001. In addition, Officer Strong advises that the FY 2001-2002 Police Department budget does not contain the $19,020 for six months of CAM Charges and $15,600 for six months of Landscaping Charges which the Police Department would be required to pay to Treasure Island for the six-month period from July 1, 2001 through December 31, 2001 under the proposed 18 month lease retroactive to July 1, 2000. The Police Department has budgeted for 12 months of utilities at a cost of $36,000 and 12 months of facilities maintenance at a cost of $104,957 for a total of $140,957 in FY 2001-2002. For the six month period remaining under the proposed sublease, the Police Department would expend an estimated $70,478 for such costs.

4. The Police Department has a budgeted total of $1,200,000 which was placed on reserve by the Finance Committee in the Department's Fiscal Year 2001-2002 budget for a full year of rent for the training facility on Treasure Island, pending approval of the proposed sublease. However, the Budget Analyst notes that the subject sublease expires on December 31, 2001 and that under the subject sublease, the Police Department would only be required to pay rent for six months, or a total of $600,000, for the period from July 1, 2001 through December 31, 2001. If the subject sublease is approved, the Budget Analyst recommends that the Finance Committee release only six months of rent, leaving the balance on reserve, pending possible renegotation and approval by the Board of Supervisors of a new sublease

for the period following the December 31, 2001 expiration date of the subject proposed sublease.

5. The proposed sublease states that both the Police Department and the Treasure Island Development Authority "...may terminate this Sublease prior to the Expiration Date [of December 31, 2001] by giving to the other party written notice of intent to terminate the Sublease one year prior to the intended date of termination."

6. According to Mr. Proud, the Treasure Island Development Authority hired a private firm, Clifford Associates, to appraise the value of the subject Police Academy facility. The Treasure Island Development Authority states that it is required to charge to the Police Department fair market rent for the subject training facilities on Treasure Island. However, the Budget Analyst notes that a review of the appraisal documents shows that the appraised annual rental value of the property was $1,120,000, or $80,000 less than the proposed annual rent of $1,200,000. The Budget Analyst recommends that if the Finance Committee considers recommending approval of this proposed sublease, then, prior to such action by the Finance Committee, the Finance Committee should request that the Treasure Island Development Authority and the Police Department renegotiate a lower rent of $1,120,000 based on the appraised rental value of the property.

7. Mr. Julian Sutherland of the Real Estate Division of the Administrative Services Department has reviewed the appraisal of the Treasure Island Police training facility completed by Clifford Associates and agrees that the appraisal's recommended rent of $1,120,000 represents fair market value. Mr. Sutherland advises that the appraisal accounted for the fact that the two-story commercial building shell would require substantial renovation to be put into service. Captain Goldberg advises that the Police Department preliminarily estimates that the subject training facility on Treasure Island would require approximately $3,000,000 in additional renovations and repairs in order to make the facility suitable to be used as a training academy. According to Mr. Proud, the appraisal did not take into

account the $918,917 in improvements already completed or work ordered by the Police Department.

8. Under the proposed sublease, the Police Department indemnifies the Treasure Island Development Authority and the Navy, as Master Landlord, and their agents and employees as defined in the sublease. The proposed sublease states:

"Subtenant [Police Department], on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties [described above] and Master Landlord shall not be responsible for or liable to, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of any improvements on the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused by the negligence or willful misconduct of the Indemnified Parties."

According to Mr. Donnell Choy of the City Attorney's Office, the indemnification provision contained in the sublease is standard in all subleases entered into by the Treasure Island Development Authority with any entity wishing to sublease property on Treasure Island. Mr. Choy advises that if there were a large earthquake comparable to or greater in magnitude than the 1989 Loma Prieta Earthquake during the term of this sublease, the City would not be able to recover any losses arising therefrom from the Treasure Island Development Authority, according to Mr. Choy. Mr. Choy advises that when the City is acting as the landlord in its own leases, the City includes similarly broad indemnification provisions in its leases.

9. Since June of 1998, the Police Department has provided Police protection services to Treasure Island at a total cost of $7,604,232. The Budget Analyst notes that Treasure Island has not reimbursed the City for such direct Police protection services that are provided on

Treasure Island, other than an additional $308,271 for some security guard services. Attachment III, provided by the Police Department shows that the Police Department has provided a total of $7,604,232 in Police Protection Services since June of 1998. The City has received no reimbursements from Treasure Island for such costs incurred in providing Police services.

10. The Budget Analyst notes that, while the proposed sublease agreement is for six months, at a cost of $600,000 for rent, the Police Department's FY 2001-2002 budget includes twelve months of rent, at a cost of $1,200,000. The Budget Analyst did not recommend a reduction of $600,000 from the Police Department's proposed FY 2001-2002 budget because we had not yet reviewed the proposed sublease agreement which expires on December 31, 2001, thereby requiring only six months of rent.

Summary: In summary, the Budget Analyst notes the following:

The proposed resolution would authorize a sublease between the Police Department and the Treasure Island Development Authority for training facilities on Treasure Island, retroactively for the 18 month period from July 1, 2000 through December 31, 2001 at a total annual cost of $1,388,421.

Although the Police Department is still seeking approval of this subject sublease, in his July 10, 2001 memorandum (Attachment I), the Chief of Police states "However, the Department's initial plan to move the Police Academy to Treasure Island was based upon assumptions that have not materialized. I have directed the Planning Division to reevaluate that decision based upon information that is currently available." As stated in Attachment I, the Police Department will make a final determination of whether to locate a permanent Police Academy at either the leased Treasure Island facility or the City-owned Diamond Heights facility within the next five months, and report back to the Board of Supervisors prior to the expiration of this proposed sublease agreement on December 31, 2001.

The Budget Analyst questions whether this proposed sublease should be approved retroactively because a) the Police Department has had limited beneficial use of the facility for a total of 40 dates during the first six months of FY 2000-2001; b) the facility has not been used for Police training activities since January 1 of 2001; c) there are no plans to use the facilities during FY 2001-2002 until the scheduled repair work is completed at a total remaining estimated cost of $671,192; and, d) the Police Department has instructed the Department of Public Works to cease the repair work until a final determination has been made regarding the location of a permanent Police Academy that will meet all of the Police Department's training needs, thereby making it highly unlikely that the Police Department will use the Treasure Island facility at all for training during FY 2001-2002.

While the Police Department's FY 2000-2001 and FY 2001-2002 budgets contain funding for the $1,200,000 annual base rent to be paid to the Treasure Island Development Authority, the Police Department's FY 2000-2001 budget does not contain funding for the $38,040 in Common Area Maintenance (CAM) Charges and $31,200 for Landscaping Charges nor does the FY 2001-2002 budget contain funding for the $19,020 in CAM Charges and $15,600 in Landscaping Charges for the six-month period from July 1, 2001 through December 31, 2001. As previously noted, the proposed sub-lease in FY 2001-2002 expires on December 31, 2001. The Police Department's FY 2001-2002 budget includes $36,000 for utilities and $104,957 for facilities maintenance including janitorial services, for twelve months in FY 2001-2002.

Since August of 1999, the Police Department has work ordered a total of $918,917 in improvements to the Treasure Island Police Academy facility and expended $247,725 for such improvements to date, leaving a balance of $671,192 in estimated repair work still not completed.

The Treasure Island Development Authority states that it is required to charge the Police Department fair market rent for the subject training facilities on Treasure Island. However, the appraisal of the property, completed by Clifford Associates and commissioned by the Treasure

Island Development Authority, states that the annual rental value of the property is $1,120,000, or $80,000 less than the proposed annual rent of $1,200,000. If the Finance Committee considers recommending approval of the proposed sublease, the Budget Analyst recommends that the Finance Committee request that Treasure Island Development Authority and the Police Department to renegotiate an $80,000 reduction in rent or $1,120,000 based on the appraised rental value of the property prior to final legislative action by the Finance Committee.

The appraisal of the subject training facility states that the two-story commercial building shell "now reflects an aging shell structure requiring substantial renovating in order for it to be put into service." The Police department estimates that the subject training facility on Treasure Island would require approximately $3,000,000, based on a preliminary estimate, in additional renovations and repairs in order to make the facility suitable to be a training academy that would meet all of the Police Department's training needs.

The Budget Analyst notes that because the subject sublease would expire on December 31, 2001, any longer-term plans for the Treasure Island Police Academy, including required capital improvements estimated at approximately $3,000,000, would be subject to a new sublease between the Police Department and Treasure Island, requiring Board of Supervisors approval of that sublease, for the period after the subject sublease expires on December 31, 2001.

As shown in Attachment III, Since June of 1998, the Police Department has provided Police Protection services to Treasure Island at a total cost of $7,604,232. The City has received no compensation from Treasure Island for such costs incurred in providing Police services.

Recommendations:

1. Although the proposed resolution clearly states that the term of the sublease agreement is from July 1, 2000 to December 1, 2001, it does not state that approval is being granted retroactively. The Budget Analyst therefore recommends that the proposed resolution be amended for retroactivity.

2. If the Finance Committee considers recommending approval of the proposed sublease, request that Treasure Island Development Authority decrease the proposed rent by $80,000, from $1,200,000 to $1,120,000, based on the $1,120,000 appraised rental value of the property prior to final legislative action by the Finance Committee.

3. If the Finance Committee recommends approval of the proposed sublease, and Treasure Island Development Authority agrees to reduce the annual rent to the fair market value of $1,120,000, the Budget Analyst recommends releasing $560,000 of the $1,200,000 in reserved funds for payments to the Treasure Island Development Authority, in accordance with Comments Nos. 4 and 7 above (50 percent of $1,120,000). Of the balance of $640,000 in reserved funds, return $80,000 to the General Fund reserve and keep $560,000 on reserve, pending possible renegotation and approval by the Board of Supervisors of a new sublease for the period following the December 31, 2001 expiration date of the subject proposed sublease.

4. If the Finance Committee recommends disapproval of the proposed sublease, the Finance Committee should instruct the Controller to:

a) Close out the $1,200,000 in FY 2000-2001 expenditures in the Police Department budget for rent payments to the Treasure Island Development Authority to the General Fund Reserve; and,

b) Prepare legislation rescinding the $1,200,000 appropriated in Police Department's FY 2001-2002 budget and adding $1,200,000 to the General Fund Reserve.

Recommendations 4 a) and 4 b) would add a total of $2,400,000 to the City's General Fund Reserve. However, the Budget Analyst notes that the Treasure Island Development Authority's FY 2000-2001 budget was balanced with the anticipated receipt of the $1,200,000 in rent payments from the Police Department's General Fund budget. Therefore, this action could cause a budget deficit for the Treasure Island Development Authority's FY 2000-2001 budget.

5. Approval of the proposed sublease, as amended, is a policy matter for the Board of Supervisors.

Attachment 1
Page 1 of 2

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103

FRED H. LAU
CHIEF OF POLICE

July 19, 2001

Mr. Harvey M. Rose
Board of Supervisors
Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Mr. Rose,

On a limited basis, the Police Department has been conducting training classes at Treasure Island for three years while fully operating the Academy at Diamond Heights. The Treasure Island facility has allowed the Department to provide on-going training for incumbent officers without any interruption in training for new recruits at Diamond Heights.

The Department has already expended $247,725 for tenant improvements to buildings at Treasure Island, mainly to the gymnasium. An additional $671,192 in funds have been encumbered for this purpose. However, all work on the project has been stopped. It was the Department's intention to complete repairs to the gymnasium and to use that facility along with the Ship-shape building by the Fall of this year. However, the Department's initial plan to move the Police Academy to Treasure Island was based upon assumptions that have not materialized. I have directed the Planning Division to reevaluate that decision based upon information that is currently available.

Neither facility, as currently constructed, fully accommodates the training needs of the Department. At Treasure Island, the Department has been using one small building and anticipated the use of the gym. Three other buildings are not being used and would require substantial investment. If the Department were to move its entire training operation to Treasure Island, additional improvements to at least one of those buildings would be required.

The Diamond Heights facility also requires modification if it is to accommodate the Department's training needs. As an interim measure, the Department has added temporary classrooms to the site to meet the need for additional space. Any long-range plan to remain at Diamond Heights would require some additional build out.

The Department seeks the approval of the Finance Committee of the interim sublease to provide sufficient time for the Department to examine the available options. Within the next five months, the Department will make a recommendation to both the Police Commission and the Board of Supervisors for a permanent site for the Police Academy at either Treasure Island or Diamond Heights. The Department will examine the financial and operational issues of both facilities along with the necessary capital improvements and potential funding sources.

The Department's desire is to have a single facility with sufficient space to provide training for new recruits and incumbent officers. The Department's goal is to maximize efficiencies and provide the best possible training at the least possible cost.

I look forward to the Department reporting back to the Committee by the end of the year. If you have additional questions or require additional information, I ask that you contact Captain John Goldberg of the Fiscal Division at 553-1039.

Very truly yours,

Fred H. Lau
Chief of Police

TO: Captain Timothy Hettrich #1696
Commanding Officer Planning Division

FROM: Officer Daniel A. Hampton #1793
Planning Division

Date: 07/03/2001

Subject: T.I. Budget as of July 3, 2001

Dates:

08/09/1999	DPW work order for cleaning ducts, Bldg 461 BBR paid Air Doctor for this work	$25,000.00	
07/12/2000	DPW work order for asbestos removal, Bldg 402 Steve Mullinnix BCM	$83,117.11	
07/21/2000	DPW work order for installation of boiler, Bldg 402	$300,000.00	
06/15/2000	BOE work order for designs, Bldg 402 Maurice Chee BOE, 558-4550	$15,000.00	
08/30/2000	DPW work order for Bldgs 402, 461, and 497 includes architectural ADA plans, material costs for one bioler, and engineering cost for the earthquake retrofitting plans for 402.	$350,000.00	
08/09/2000	DPW work order engineering plans seismic retrofit for Bldg 402, BOE Charles Hu, seismic plans and bidding process only. SOHA, Steven Lau 989-9900	$73,475.00	
04/24/2000	DPW work order for miscellaneous work peformed on Bldgs 402 , 461, and 497.	$70,000.00	
04/12/2000	Port of S.F. Roof Repairs, Bldgs 402 and 497.	$2,325.00	
	Total T.I. Expenditures	**$918,917.11**	
	Original Budget		$1,149,400.00
	Balance		**$230,482.89**

Treasure Island - Enforcement Costs

						Benefits		
FY	Captain (Q82)	Lieutenant (Q62)	Sergeant(s) (Q52)	Officer(s) (Q4)	Salary	Variable Sworn - 8.28%	Fixed 6,175/ea	Total
98/99	1	0	1	9	691,180	57,230	67,925	816,335
99/00	1	1	2	15	1,209,676	100,161	117,325	1,427,162
00/01	1	1	2	24	1,939,158	160,562	172,900	2,272,620
01/02	0	1	2	19	1,503,814	124,516	135,850	1,764,180
Overtime								726,786
Total Personnel Costs								**7,007,083**
Other Planned Operating Costs								
Equipment (25 radios)(one time cost)								57,433
Maintenance (Janitorial Service - Bldg #1)								111,684
Vehicles (7 vehicles)								238,000
Vehicle Maintenance (7 vehicles)								91,392
Vehicle Fuel (7 vehicles)								65,040
Materials & Supplies ($700/mo)								33,600
Total Operating Costs for TI								**7,604,232**

* These costs do not include:

1. Indirect Costs
2. Anticipated pay adjustments for FY 01/02
3. The cost of 1 Captain for FY 01/02 (He is retiring and will not be replaced)

Item 2 – File 01-1226

Department: Aging and Adult Services

Item: Hearing to consider release of reserved funds for the Department of Aging and Adult Services, in the amount of $1,015,000 to provide: (1) $1,000,000 for unmet needs of senior citizens to be provided by non-profit community-based providers and (2) $15,000 for the infrastructure needs of Self-Help for the Elderly a non-profit community-based provider.

Amount: $1,015,000

Source of Funds: Monies previously appropriated and placed on reserve by the Board of Supervisors ($1,439,000 in funds from the FY 2000-2001 General Fund Reserve and $561,000 from FY 2000-2001 Surplus Parking Tax[1] Revenues).

Description: In April of 2001, the Board of Supervisors appropriated and placed on reserve a total of $2,000,000, including $1,000,000 for infrastructure needs of non-profit agencies providing services to seniors and an additional $1,000,000 to fund non-profit agencies providing unmet needs of senior citizens. This $2,000,000 supplemental appropriation was funded by:

General Fund Reserve	$1,439,000
Surplus FY 2000-01 Parking Tax Revenue for Senior Programs	561,000
Total	$2,000,000

In May of 2001, the Finance Committee approved the release of $985,000 of the $2,000,000 total for infrastructure needs of non-profit agencies providing services to senior citizens. The Department is now requesting the release of the remaining $1,015,000 to fund non-profit agencies providing the unmet needs of senior citizens.

---

[1] Under Article 9, Section 615 of the Administrative Code, one third of all Parking Tax collections, excluding the funds allocated to the Municipal Railway, is dedicated to Senior Citizen's Programs. The Controller's Six Month Budget Status Report, issued on February 7, 2001 projected increased Parking Tax collections of approximately $1.7 million during FY 2000-2001. Therefore, the Controller certified the availability of $561,000 for Senior Citizen's Programs.

Mr. John Clark, Acting Executive Director of the Department of Aging and Adult Services, reports in his memo of July 18, 2001 (Attachment I) that a Request for Proposals (RFP) was issued on May 16, 2001 to 62 community based non-profit agencies to provide for the unmet needs of seniors.

Attachment II, contains a list of the 34 non-profit agencies which responded to the RFP, the amounts requested, the amounts allocated, and a brief description of the services to be provided. As shown in Attachment II, $956,000 was allocated to 17 non-profit agencies and $44,000 was allocated for a work order to the Municipal Railway for paratransit services.

Attachment III contains allocations by category of services by non-profit agency.

As indicated in Attachment IV, two of the 17 non-profit agencies, Self-Help for the Elderly and Meals on Wheels have been recommended to receive more than one allocation.

Attachment V lists the allocations by Supervisorial District and by Senior Central Districts.

Comments:

1. According to Mr. Clark, the recommended allocations of the subject $1,000,000 to non-profit agencies for the unmet needs of senior citizens placed special emphasis on joint collaborations between non-profit agencies, specific performance measures, and proposals serving senior citizens groups with multiple needs.

Mr. Clark notes that the rating of the proposals was based on scores assigned by the 11 evaluators who are identified in Attachment VI. These 11 evaluators individually reviewed these proposals and assigned scores based on various criteria. According to Mr. Clark, the evaluation criteria used to award contracts included: a) a documented history of providing the service being requested, b) the ability of the agency to evaluate its own effectiveness in service delivery, c) the ability to develop a sound budget proposal and the ability to obtain additional non-City funds through fundraising efforts, d) the ability to collaborate on service delivery with other non-profit agencies, and e) an innovative proposal serving a new senior citizen population.

2. Mr. Clark advises that both the Department and the advocates who requested these supplemental appropriation consider the subject $1,000,000 as funding for ongoing needs of seniors that have not been previously funded by the City. Therefore, Mr. Clark states that, it is anticipated that the Department may request a continuation of funding to meet the unmet needs of senior citizens in its FY 2002-2003 budget. However, Mr. Clark adds that a final determination has not been made as to whether this amount of funding will be requested in the Department's baseline budget in FY 2002-2003.

3. Mr. Clark anticipates that the contracts with the 17 non-profit agencies which have been recommended for an allocation of funds would begin in August of 2001 and end on June 30, 2002. According to Mr. Clark, the non-profit agencies would be subject to periodic evaluations by Department staff several times during the contract period in order to ensure that performance standards are being met.

4. When the $985,000 was previously released by the Finance Committee for the infrastructure needs of non-profit community based providers, $15,000 not released by the Finance Committee for Self Help for the Elderly as explained in Attachment VII. Mr. Clark is now requesting the release of that $15,000 for Self Help for the Elderly to cover the costs of technology, training and capital.

Recommendation: Approve the requested release of reserved funds.

Attachment I

City & County of San Francisco
WILLIE L. BROWN, JR., *Mayor*

Office on the Aging
County Veterans Service Office

Department of Aging & Adult Service
SANDRA Y. NATHAN, Ph.D., *Executive Directo*

Mental Health Conservato
Public Administrator-Public Guardia

MEMO TO: Pascal St. Gerard, Budget Analyst's Office

FROM: John Clark, Deputy Executive Director

DATE: July 18, 2001

RE: "Unmet Needs" RFP

We issued the RFP on May 16, 2001. We sent a notice of funding availability to 62 community-based organizations in San Francisco, this included both the Office on the Aging's current 45 contractors as well 17 other organizations that may have been interested.

Our log book indicated that 45 of these organizations subsequently received a copy of the full RFP, and as you know, some 34 of these organizations ultimately filed proposals, of which we recommend funding 21 (18 agencies, but 21 proposals as some organizations filed separate proposals for different funding categories).

Let me know if you need more information.

Attachment II

Page 1 of 2

City and County of San Francisco
Department of Aging and Adult Services
$1,000,000 Unmet Needs RFP
Listing of 34 Agencies Submitting Proposals with Total Amount Requested and Recommended and Brief Description of Services to be Provided

Agency	Requested	Recommended	Service Description(*)
Asian Law Caucus	$50,000	-0-	Housing Counseling
Bayview Hunters Point	$90,762	$20,000	Congregate Meals
Bernal Hghts Neigh. Ctr.	$48,690	$45,000	Case Management
Catholic Charities	$127,335	-0-	Community Services, Case Management, In-Home Supportive Services.
Centro Latino	$82,071	-0-	Home-Delivered Meals, Community Services
Edgewood Child. & Fam.	$40,700	$40,700	Community Services
Episcopal Com. Serv.	$41, 880	-0-	Case Management
Filipino-Amer. Council	$108,432	-0-	Case Management, Housing Counseling
Family Service Agency	$27,500	-0-	Community Services
Goldman Aging Inst.	$311,216	$20,000	Case Management, Community Services (Suicide Prevention)
Hearing Society	$442,214	-0-	Community Services
International Institute	$66,671	$65,300	Community Services (Legal Aid)
Jewish Fam. & Child.	$194,651	$70,000	Case Management, Community Services
John King Senior Center	$32,697	-0-	Community Services (Transportation)
Kimochi, Inc.	$50,000	-0-	Community Services
Korean Center, Inc.	$100,197	-0-	Case Management, Community Services
Lighthouse for the Blind	$87,962	-0-	Community Services
Meals on Wheels	$281,956	$150,000	Home-Delivered Meals, Case Management, Community Services
Mission Neighbhd. Center	$49,700	-0-	Case Management
Network for Elders	$39,222	-0-	Case Management
New Leaf Services	$171,864	-0-	Community Services
North of Market Sen. Ser.	$58,159	-0-	Community Services
On-Lok Day Services	$42,690	$40,000	Home-Delivered Meals
Planning for Elders	$45,000	$45,000	In-Home Supportive Services (Senior) Advocacy

C:\MY DOCUMENTS\BOS-MAYOR-CONTROLLER\UNMETRFPFINALATTACH.DOC

Project Open Hand	$22,000	$22,000	Congregate Meals
Russian American CS	$108,000	$20,000	Congregate Meals, Home-Delivered Meals, Case Management
Samoan Community Ctr.	$60,225	$30,000	Congregate Meals
San Francisco Senior Ctr.	$44,370	$44,000	Case Management
Self-Help for Elderly	$367,566	$129,000	Congregate Meals, Home-Delivered Meals, Case Management, Community Services, In-Home Supportive Services
Senor Action Network	$70,000	$70,000	Housing Counseling
SF Adult Day Servs. Net.	$46,000	$46,000	Adult Day Health Services
Veteran's Equity Ctr.	$100,000	-0-	Case Management
Vietnamese Elderly	$128,395	-0-	Congregate Meals, Home-Delivered Meals, Community Services, Housing Counseling
Western Addition Sen.	$40,000	-0-	Home-Delivered Meals
Subtotal		**$ 956,000**	
Municipal Railway	$44,000	$44,000	Paratransit Services
Total	**$3,178,125**	**$1,000,000**	

**Underlining indicates the proposal which was funded, when there was more than one proposal submitted.

Attachment III

City and County of San Francisco
Department of Aging and Adult Services
$1,000,000 Unmet Needs RFP
Recommendations by Category
(6/26/01)

		Recommendation
ADHC Enhancements		
San Francisco ADS Network		$ 46,000.00
In-Home Supportive Services		
Self-Help for the Elderly		$ 75,000.00
In-Home Support Advocacy		
Planning for Elders in the Central City		$ 45,000.00
Housing Counseling/Advocacy		
Senior Action Network		$ 70,000.00
Congregate Meals		
Project Open Hand		$ 20,000.00
Self-Help for the Elderly		$ 65,000.00
Russian American Community Services		$ 20,000.00
Samoan Community Development Center	(*)	$ 30,000.00
		$ 135,000.00
Home-Delivered Meals		
Meals on Wheels		$ 80,000.00
On Lok Day Services		$ 40,000.00
Western Addition Senior Citizens		$ 40,000.00
		$ 160,000.00
Case Management		
San Francisco Senior Center		$ 44,000.00
Meals on Wheels		$ 70,000.00
Bernal Heights Neighborhood Center		$ 45,000.00
Jewish Family & Children's Services	(**)	$ 70,000.00
		$ 229,000.00
Community Services/Social Services		
Edgewood Center for Children & Families	(*)	$ 40,700.00
International Institute	(**)	$ 65,300.00
Goldman IOA (CESP)		$ 20,000.00
Self-Help for the Elderly (DWSSW #9)		$ 50,000.00
BVHP Multipupose Senior Services, Inc.		$ 20,000.00
		$ 196,000.00
Sub-Total		$ 956,000.00
Paratransit Services		
Work Order with Municipal Railway		$ 44,000.00
Grand Total		$ 1,000,000.00

Key: (*) Agency with no previous contractual relationship with the Office on the Aging
(**) Agency with less than one (1) year of contractual relationship with the Office on the Aging

Home:\Program\Unmet Needs RFP\Management Recommendation_rev4.xls

Attachment

City and County of San Francisco
Department of Aging and Adult Service
$1,000,000 Unmet Needs RFP Fiscal Year 2001-02

Recommended Agencies for Funding in Multiple Program Categories

Self-Help for the Elderly	
In-Home Supportive Services	$75,000
Congregate Meals	$65,000
Community Services/Social Services	$50,000

Meals on Wheels	
Home-Delivered Meals	$80,000
Case Management	$70,000

F:\HOME\DAVIDN\WPDOCS\jc4.wpd

Attachment V

Office on the Aging
FY 2001-02 Unmet Needs Funding
by Eleven Supervisorial Districts

Supervisorial District	Unmet Needs Funds
1	$ 138,150
2	$ 51,425
3	$ 93,925
4	$ 35,500
5	$ 30,550
6	$ 172,425
7	$ 107,900
8	$ 62,660
9	$ 46,245
10	$ 211,000
11	$ 50,220
total	**$ 1,000,000**

Office on the Aging
FY 2001-02 Unmet Needs Funding
by Ten Neighborhood Senior Central Districts

Sr. Central District	Unmet Needs Funds
1	$ 153,500
2	$ 45,500
3	$ 110,500
4	$ 250,500
5	$ 120,500
6	$ 65,500
7	$ 75,500
8	$ 45,500
9	$ 97,500
10	$ 35,500
total	$ 1,000,000

F:\HOME\STELLAC\1M_unmet_Sup Distd 6/30/01

Attachment VI

Review Panel
Request for Proposal
Unmet Needs Fiscal Year 20001-02

Housing Counseling/Advocacy (4 Proposals)
Anne Kronenberg, Department of Public Health
Joe LaTorre, Mayor's Office of Housing

In-Home Support Services (2 proposals)
In-Home Support Advocacy (1 proposal)
ADHC Enhancements (1 proposal)
Ramona Davies, Northern Ca. Presbyterian Homes and Services
Joe Lam, Mayor's Office of Community Development

Congregate Meals (5 proposals)
Home-Delivered Meals (7 proposals)
Mary Schembri, Hospice by the Bay
Dave Curto, Department of Human Services
Bernie Rush, Consumer Advocate

Case Management (14 proposals)
Michael Radetsky, Department of Public Health
Bill Haskell, Department of Aging and Adult Services

Community Services/Social Services (18 proposals)
Galen Leong, Department of Public Health
Nancy Giunta, Department of Aging and Adult Services

F:\HOME\DAVIDN\WPDOCS\riprepan.wpd

VII

Attachment VII

City & County of San Francisco
WILLIE L. BROWN, JR., *Mayor*

Office on the Aging
County Veterans Service Office

Department of Aging & Adult Services
SANDRA Y. NATHAN, Ph.D., *Executive Director*

Mental Health Conservator
Public Administrator-Public Guardian

MEMORANDUM

TO: Harvey Rose, Budget Analyst

FROM: John Clark, Deputy Executive Director

DATE: July 18, 2001

RE: **Release of Final $15,000 from Infrastructure Allocation**

As you will recall, the Finance Committee retained (that is, did not release) $15,000 of the first $1,000,000 of the Daly Supplemental (the so-called "Infrastructure" portion). This retention was pending the department making a determination as to how to fund the Asian American Elderly Humanitarian Society. Since the department submitted proposals from community-based agencies totaling $1,000,000 (and not the $985,000 ultimately released), the department held back $15,000 from Self-Help for the Elderly's $117,000 total allotment.

Subsequent to this meeting, we have found sufficient funds elsewhere in the department to fund the AAEHS at $15,000 for FY 01-02. Accordingly, we request the release of this vestigal $15,000 to bring Self-Help for the Elderly back to their original recommended amount of $117,000. As indicated in their original proposal, Self-Help plans to use these funds for technology enhancements and training.

Item 3 - File 01-1084

Department:	Public Utilities Commission (PUC) Hetch Hetchy Water and Power
Item:	Resolution authorizing the expenditure of funds for emergency repair of corrosion in the San Joaquin Pipeline No. 1 of the Hetch Hetchy Aqueduct.
Amount:	$650,000
Source of Funds:	Surplus funds of (a) $310,000 from the Hetch Hetchy Lower Cherry Aqueduct Rehabilitation Project and (b) $340,000 from the Hetch Hetchy San Joaquin Pipeline Repair Project.

Description:

On March 15, 2001, a pre-survey was conducted on the San Joaquin Pipeline No. 1 of the Hetch Hetchy Aqueduct to investigate the potential for corrosion and leaks. As explained in Attachment I, provided by Ms. Laurie Park of the Public Utilities Commission (PUC), three exploratory holes were excavated by the Mendelian Construction Company, which at the time was under contract with the PUC to perform excavation and repair work on the nearby San Joaquin Pipeline No. 3. As stated by Ms. Park in Attachment I, "During the course of the San Joaquin Pipeline No. 3 emergency repairs, an area was found where the groundwater was very high, raising suspicions that San Joaquin Pipeline No. 1 may also be at risk. The Project Manager directed Mendelian to open up 3 test sites for a visual inspection of San Joaquin Pipeline No. 1. These test sites revealed severe corrosion." The San Joaquin Pipeline No. 3 runs parallel to Pipeline No. 1, with approximately 25 feet, including Pipeline No. 2, between the two pipelines.

Ms. Park advises that on March 19, 2001, as a result of the findings from the pre-survey, the President of the PUC declared an emergency requiring immediate inspection of and any necessary repairs to the San Joaquin Pipeline No. 1. The emergency was ratified by the PUC on April 10, 2001. Ms. Park reports that if corrosion of the pipeline were not further investigated and repaired as necessary, conditions could lead to a pipeline rupture, potentially endangering adjacent parallel pipelines and the foundation of the Hetch Hetchy Water Transmission Line. Details on the location of the San Joaquin Pipeline No. 1 of the Hetch Hetchy Aqueduct and the Hetch Hetchy Water Transmission Line are included in Attachment II, provided by the PUC.

The subject resolution would authorize the PUC to expend $650,000 to excavate soil, make emergency repairs to leaks, and assess the overall condition of the San Joaquin Pipeline No. 1 over the three-mile stretch where the pre-survey identified the greatest potential for severe corrosion. The PUC Utilities Engineering Bureau staff determined that excavating 20 sites over the three-mile stretch of pipeline would provide the PUC with adequate information on the pipeline's corrosion.

Ms. Park advises that, in accordance with Section 6.60 of the Administrative Code, the PUC initiated expedited contract procedures on March 21, 2001 and retained the Mendelian Construction Company, which was already working on site for the PUC, to perform the excavation work and make any necessary emergency repairs to leaks at the 20 sites over the three-mile stretch of the pipeline. Ms. Park states in a memorandum dated July 18, 2001 (Attachment I) that the PUC selected Mendelian Construction on a sole source basis for this new emergency excavation contract for San Joaquin Pipeline No. 1 because the company "...was already mobilized and on-site for purposes of repairing leaks to San Joaquin Pipeline No. 3. Mendelian's work was deemed excellent by the Project Manager. Consequently, Mendelian was asked to stay on-site and take on this additional work."

As previously noted, the excavation work and necessary emergency repairs to leaks at 20 sites will cost an estimated $650,000. Of this total project cost, an amount not to exceed $500,000 has been budgeted for work to be performed by Mendelian Construction, and a total of $150,000 has been budgeted for PUC engineering ($83,507), construction management ($44,940), and contingencies ($21,553). Ms. Park advises that Mendelian Construction is being paid on a time and materials basis, with a total contract amount not to exceed $500,000. This contract amount includes the excavation of 20 sites and any necessary emergency repairs to leaks at these sites, at an estimated cost of $25,000 per site ($10,000 for excavation work and $15,000 for necessary emergency repairs).

According to Ms. Park, excavation of the San Joaquin Pipeline No. 1 began soon after the declaration of an emergency on March 19, 2001 and, to date, approximately $277,000 of the total project budget of $650,000 has been expended, leaving a remaining balance of $373,000. Of the $277,000 that has already been expended, $200,000 has been expended for Mendelian Construction to excavate the 20 sites and $77,000 has been expended for PUC engineering and construction management staff. According to Ms. Park, excavation of the 20 sites has revealed that the pipeline will need repair at all of the 20 sites. Ms. Park states in Attachment I: "...no repairs have yet been made, pending (a) Mendelian's authorization to its subcontractor to proceed with this work, and (b) completion of engineering analyses of various portions of the pipeline which will specify the repair approach." Of the remaining balance of $373,000, the PUC estimates that $300,000 will be expended for the necessary emergency repair work at each of the 20 sites, at an average cost of $15,000 per site, and $73,000 will be expended for PUC engineering and construction management staff.

Budget: A summary budget for the project costs of $650,000 is as follows:

Mendelian Construction Company - Contract for excavation and emergency repairs to leaks (20 sites x approximately $25,000 per site)	$500,000
PUC Utilities Engineering Bureau (732 hours x $114.08 per hour for one 5210 Senior Civil Engineer)	83,507
Construction Management (560 hours x $80.25 per hour for one 6318 Construction Inspector)	44,940
Contingencies for additional PUC Utilities Engineering Bureau staff time	21,553
Total	**$650,000**

Comments: 1. The memorandum (Attachment I) from Ms. Park further explains the nature of this subject emergency.

2. The PUC intends to select contractors through a competitive bidding process in the spring of 2002 to perform any additional, more extensive repair work on the San Joaquin Pipeline No. 1, according to Ms. Park.

3. Ms. Park clarifies that the pre-survey excavations were performed at three sites along the San Joaquin Pipeline No. 1, not at four sites as stated in the proposed resolution. The proposed resolution should, therefore, be amended to reflect this correction.

4. Ms. Park reports that the PUC anticipates that the excavation work and necessary emergency repairs to leaks will be completed by October 31, 2001.

Recommendations:

1. In accordance with Comment No. 3, amend the proposed resolution on page 1, line 21 in the "*Whereas*" clause to read "...SFPUC Staff performed preliminary assessment of the condition of the Pipeline at three locations..." instead of at four locations.

2. Approve the proposed resolution, as amended.

Attachment I
Page 1 of 3

SFPUC
WATER
HETCH HETCHY
WATER & POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 MARKET ST., 4TH FLOOR, SAN FRANCISCO, CA 94103 • TEL (415) 554-0725 • FAX (415) 554-0796

WILLIE L. BROWN, JR.
MAYOR

PRESIDENT
VICTOR G. MAKRAS
VICE PRESIDENT
ANN MOLLER CAEN
E. DENNIS NORMANDY
FRANK L. COOK
ASHOK KUMAR BHATT

JOHN P. MULLANE, JR.
GENERAL MANAGER

MEMORANDUM

TO: Budget Analyst - Harvey Rose

FROM: Hetch Hetchy Water and Power - Laurie Park

SUBJECT: Declaration of Emergency - San Joaquin Pipeline No. 1

DATE: July 18, 2001

Nature of Emergency. Extreme corrosion and possible failure of San Joaquin Pipeline No. 1 (SJPL#1) between Highway 33 and the San Joaquin River Levee (total distance approximately 3 miles). In the worst case, if SJPL#1 were to burst, there is a high probability that it could cause serious damage to the adjacent pipeline, SJPL#2. The combined capacity of SJPL#1 and SJPL#2 is 150 millions of gallons per day (mgd) -- 50% of the Hetch Hetchy Aqueduct's total delivery capacity. Any risk to the City's water system that might cause a loss of 2 out of 3 of the major conduits and 50% of the total delivery capacity is unacceptable.

Estimated Costs. SFPUC engineering staff estimated the cost of excavating and repairing 20 sites at approximately $650,000. Of this amount, $500,000 is the estimated cost of excavations and repairs to be performed by the contractor. $150,000 is the estimated cost of project management, construction management and engineering analyses performed by SFPUC's Utilities Engineering Bureau (UEB).

Description of Work to be Done. Excavation and repair of San Joaquin Pipeline No. 1 (SJPL#1) at approximately 20 sites where the groundwater was found to be very high and severe corrosion of the pipe and rivets was suspected. Wherever corrosion has been visually confirmed, leaks will be repaired by welding steel patches to corroded sections or peening rivets as required. The contractor is performing the excavations and repairs under the direction of an SFPUC engineer who is on-site to conduct inspections and assess the structural integrity of the exposed pipeline.

Project Schedule. The work under this contract is targeted for completion on or about October 31, 2001, prior to commencement of the rainy season since wet weather will severely impair the contractor's ability to work in this area.

Basis for Sole Source Contract. Mendelian Construction Company, a local certified MBE, was already mobilized and on-site for purposes of repairing leaks to SJPL#3. Mendelian's work was deemed excellent by the Project Manager. Consequently, Mendelian was asked to stay on-site and take on this additional work.

Background. In March 2000, the SFPUC declared an emergency when a higher than acceptable number of leaks were detected in SJPL#3. The emergency work consisted of excavation and repair of about 200 leaks. Two contractors were engaged to perform the emergency repairs on SJPL#3: Mendelian Construction Company, a local certified MBE, and Shimmick Construction Company. During the course of the SJPL#3 emergency repairs, an area was found where the groundwater was very high, raising suspicions that SJPL#1 may also be at risk. The Project Manager directed Mendelian to open up 3 test sites for a visual inspection of SJPL#1. These test sites revealed severe corrosion.

SJPL#1 and SJPL#3 are of different vintages and different types of construction. SJPL#3 is welded steel pipe, whereas SJPL#1 is constructed of riveted steel sheets. Over the life of these pipelines, SJPL#1 has only been lined once, shortly after its installation in 1932. SJPL#3, however, which was placed in-service 36 years later (in 1968), has been relined three times. The method and frequency of repairs to these pipelines is distinctly different. SJPL#1 was scheduled for a complete relining commencing in FY01/02. SFPUC staff hoped that the relining would eliminate the need for interim repairs.

At the SJPL#1 test sites, however, both the protective external coating was damaged and the rivets and pipe exterior on SJPL#1 were highly corroded. Given the risk of failure of this section of pipeline and the additional potential risk to the adjacent SJPL#2, the SFPUC declared an emergency on March 19, 2001.

As of this date, 20 sites have been completely excavated. No repairs have yet been made because that work was to be performed by Mendelian's subcontractor. Mendelian has not yet authorized its subcontractor to proceed because Mendelian's own contract for this work has not yet been approved.

Of the 20 sites completely excavated, all 20 need external recoating and 15 sites (75%) also need repairs to the pipeline rivets and/or pipeline surface. SFPUC engineering is presently performing analyses of the remaining wall thickness and structural integrity of the pipeline at various points to ascertain the type of fixes needed at each site.

In addition, one 700' length of pipeline which passes under an irrigation canal is in very bad condition and will likely need to be totally replaced. The replacement of this section of pipe is not being recommended at this time, pending completion of the engineering report. Under any circumstances, pipeline replacement could not proceed at this time because of the length of time required to procure and deliver pipe to the site. Further, in order to replace this pipe, we would have to disrupt agricultural water deliveries during the critical summer irrigation season. The City could thus be liable for agricultural losses. The Project Manager's recommendation has not yet been received; however, based on preliminary reports, we expect that we will competitively bid this repair work to be conducted during spring 2002, after the rains have stopped. The cost to replace this section of pipeline has not yet been determined since that will depend upon engineering design. However, UEB engineering's rough ballpark estimate is $500,000.

The SFPUC budgeted for a complete interior relining of SJPL#1 which was scheduled to commence in FY01/02. The total cost was estimated at roughly $24 million. The budget estimate will be confirmed during engineering design prior to putting the work out to bid. The work was expected to be completed over a 4 year period. Since this work is not deemed urgent, it will of course be competitively bid in accordance with the City's normal contracting processes. To the extent that the 700' length of pipe described above is replaced prior to the relining, there will be an appropriate reduction in the total project cost.

The present investigation and analysis will result in a comprehensive engineering analysis which recommends both near and long term approaches to protecting this important portion of the City's water delivery system. The approach to relining SJPL#1 is also being reevaluated in context of these findings.

Expenditures To-Date. As of this date, approximately $277,000 has been expended ($200,000 in contractor costs and $77,000 in UEB costs), leaving a budget balance of $373,000 to complete the work. All excavations have been completed. However, as discussed above, no repairs have yet been made, pending (a) Mendelian's authorization to its subcontractor to proceed with this work, and (b) completion of engineering analyses of various portions of the pipeline which will specify the repair approach. We believe that the $650,000 budget estimate for this work is still reasonable.

SFPUC
WATER
HETCH HETCHY
WATER & POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
UTILITIES ENGINEERING BUREAU
1155 MARKET ST., 7TH FLOOR, SAN FRANCISCO, CALIFORNIA 94103-1522
TEL. (415) 554-0778 • FAX (415) 554-1877 • WWW.CI.SF.CA.US

/ILLIE L. BROWN, JR.
AYOR

ICTOR G. MAKRAS
RESIDENT
NN MOLLER CAEN
CE PRESIDENT
DENNIS NORMANDY
RANK L. COOK
SHOK K. BHATT

TEVEN D. LEONARD
CTING GENERAL
ANAGER

ICHAEL E. QUAN
ANAGER

July 17, 2001

MEMORANDUM

TO: Anna Weinstein
Budget Analyst

FROM: Frank Mangold
Contract Preparation

SUBJECT : San Joaquin Pipeline No. 1 Emergency
Description of Location

In answer to your question as to where the emergency work is being performed, I called the Engineer in the field, and he informed me that it is in the section of Pipeline No. 1 west of the Levee Road (on the west side of the San Joaquin River) and McCracken Road, about two miles south of State Highway 132. The site is roughly 20 miles west of Modesto, California.

Generally, the Hetch Hetchy Water transmission begins on the Tuolumne River at Early Intake, where water from the river is diverted into a long mountain tunnel. This is located near Camp Mather, adjacent to Yosemite national Park. The water flows through this tunnel to Priest Reservoir, which is at the top of Priest Grade just south of Highway 120, and west of Groveland. From the Priest Reservoir, the water then flows through a series of tunnels and penstocks through the Moccasin Powerhouse at Moccasin. The water goes from the powerhouse into a fore bay, Moccasin Reservoir, where it then enters a tunnel through the Sierra foothills. At Oakdale Portal, southeast of Oakdale, the water enters the San Joaquin Pipelines, three pipelines parallel to each other, and is transported across the San Joaquin Valley in a straight line from Oakdale portal to Tesla Portal, which is the entrance to a tunnel through the Coast Range. In the San Joaquin Valley, the Hetch Hetchy right-of-way is occupied by the San Joaquin Pipelines 1,2,and 3 and high voltage electrical transmission lines from Hetch Hetchy's powerhouses. The pipelines are buried in the soil between Oakdale Portal and Tesla Portal. Tesla Portal is located southwest of Tracy near the Interstate 580 and Highway 132 junction. At Tesla Portal, the water transmission system comes under the jurisdiction of the San Francisco Water Department's Water Supply and Treatment Division.

As the San Joaquin Pipelines are underground, a person driving around looking for them is not going to see them.

Item 4 – File 01-1229

Department: Municipal Transportation Agency (MUNI)

Item: Resolution approving the Controller's certification that facility security services for the Municipal Transportation Agency can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 2001, than if the work were performed by City employees.

Services to be Performed: Comprehensive facility security services for Municipal Railway operations

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

Facility security services for MUNI operations consist of unarmed stationary and mobile guards at MUNI facilities, armed guards attending MUNI employees involved in the handling of cash, tickets and passes, and security analysis and development of plans for improving physical security at MUNI facilities.

The Controller has determined that contracting for the security guard services for MUNI for FY 2001-2002 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$1,176,918	$1,418,876
Fringe Benefits	335,514	373,550
Total	1,512,432	1,792,426
Estimated Total Contract Cost*	1,287,629	1,291,070
Estimated Savings	$224,803	$501,356

*Mr. Matthew Hymel of the Controller's Office advises that the difference in the Contractual Service cost estimates of $3,441 is due to the difference between the low and high salary step for a 0.15 FTE 8221 Chief Protective Services MUNI position, which is used for contract monitoring.

Comments:

1. Facility security services for MUNI were first certified as required under Proposition J, (Charter Section 10.104) in FY 1983-84 and have been provided by an outside contractor since 1975.

2. The contract for these services, with King Security Services, expired on June 30, 2001 and is now on a month-to-month basis. MUNI plans to extend this contract for one year upon approval of this resolution.

3. The Estimated Total Contract Cost used for the purpose of this analysis is the contractor's estimate of the costs to provide facility security services for FY 2001-2002.

4. The Controller's supplemental questionnaire with the Department's responses is attached to this report.

Recommendation: Approve the proposed resolution.

Item 5 – File 01-1230

Department: Department of Administrative Services (DAS)

Item: Resolution concurring with the Controller's certification that convention facilities management, operation and maintenance services can continue to be practically performed at the Bill Graham Civic Auditorium and Moscone Center by a private contractor for lower cost than similar work services performed by City and County employees.

Services to be Performed: Convention facilities management, operation and maintenance

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for convention facilities management, operations and maintenance services at the Bill Graham Civic Auditorium and Moscone Center for FY 2001-2002 would result in the estimated savings as follows:

City Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$9,779,632	$11,701,743
Fringe Benefits	2,728,009	3,028,160
Total	12,507,641	14,729,903
Contractual Services Costs	11,827,381	11,827,381
Estimated Savings	$680,260	$2,902,522

Comments: 1. Under an outside contract, the Moscone Joint Venture, consisting of SMG and Thigpen Limited, Inc., manages, operates and maintains the Bill Graham Civic

Auditorium and Moscone Center. Specifically, the Moscone Joint Venture's responsibilities include: (1) contracting with others for their use of the convention facilities; (2) promoting the use of the convention facilities; (3) conducting event management activities; and (4) maintaining the convention facilities and the equipment therein.

2. Convention facilities management, operation and maintenance services at the Bill Graham Civic Auditorium and Moscone Center were first certified as required by Charter Section 10.104 in FY 1982-1983 and have been contracted out continuously since then. According to Mr. John Noguchi of the Department of Administrative Services' Office of Convention Facilities Management, SMG, the private facility management company charged with operating the City's convention facilities, has been the contractor for these services since the Moscone Center opened in 1981. In 1994, SMG partnered with Thigpen Limited Inc., a minority business enterprise, creating the Moscone Joint Venture.

3. Mr. Noguchi reports that the Department awarded a five-year contract for the provision of convention facilities management, operations and maintenance services at the Bill Graham Civic Auditorium and Moscone Center to Moscone Joint Venture, effective July 1, 1999. The proposed resolution would approve the Controller's certification for the third fiscal year of the five-year contract, from July 1, 2001 to June 30, 2002.

4. The Contractual Services Cost used for the purpose of this analysis is the Moscone Joint Venture's projected FY 2001-2002 costs to provide convention facilities management, operation and maintenance services.

5. The Contractual Services Cost of $11,827,381 for FY 2001-2002 is $431,575 or 3.8 percent more than the FY 2000-2001 cost of $11,395,806.

6. The Controller's supplemental questionnaire with the Department's responses is attached to this report.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Convention Facilities Management (Administrative Services)

CONTRACT SERVICES: Operations

CONTRACT PERIOD: July 1, 2001 – June 30, 2002

(1) Who performed the activity/service prior to contracting out?

City

(2) How many City employees were laid off as a result of contracting out?

None

(3) Explain the disposition of employees if they were not laid off.

Employees went to work for the contractor.

(4) What percentage of City employees' time is spent of services to be contracted out?

0%

(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

20 Years

(6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

1982-1983. Yes.

(7) How will the services meet the goals of your MBE/WBE Action Plan?

Contractor is a joint venture with a minority principal.

(8) Does the proposed contractor provide health insurance for its employees?

Yes

(9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

Yes.

(10) Does the proposed contractor pay meet the provisions of the Minimum Compensation Ordinance?

Yes.

Department Representative: John Noguchi

Telephone Number: 974-4027

Item 6 - File 01-1174

Department: Mayor's Office

Item: Ordinance amending the San Francisco Business and Tax Regulations Code Section 515.01 to revise the portion of Hotel Tax Fund allocations and the time limitations pertaining to rent supplements for low-income households.

Source of Funds: Hotel Tax Funds

Description: The City's Hotel Tax rate is currently 14 percent, consisting of an 8 percent base Hotel Tax rate plus a surcharge of 6 percent. The City's Business and Tax Regulations Code Section 515.01 specifies the allocation of Hotel Tax Fund monies for the following 10 purposes:

(1) Convention Facilities funded through Administrative Services – Convention Facilities,
(2) the Convention and Visitors Bureau funded through Administrative Services – Convention Facilities,
(3) Low-Income Housing in the Yerba Buena Center Redevelopment Project Area[1] funded through the Mayor's Office of Housing,
(4) the War Memorial,
(5) Publicity/Advertising-Recurring Events funded through the Mayor's Office,
(6) Publicity/Advertising-Nonrecurring Events funded through the Mayor's Office,
(7) the Cultural Equity Endowment Fund funded through the Art Commission,
(8) the Asian Art Museum,
(9) the Fine Arts Museum, and

---

[1] In accordance with the Yerba Buena settlement agreement achieved between the U.S. Department of Housing and Urban Development (HUD), the City, the San Francisco Redevelopment Agency, and the Tenants and Owners in Opposition to Redevelopment, in 1973, HUD and the City (1) contracted with several nonprofit organizations to construct 1,500 residential units for seniors and/or disabled persons who wished to stay in the Yerba Buena district and who would otherwise have been displaced by the Yerba Buena Center Redevelopment Project, and (2) entered into an agreement to provide rent supplements for a portion of these units in three housing developments. Under these contracts, the City is obligated to pay a rent supplement, using Hotel Tax Fund monies, for up to 60 percent of the units within each of the three housing developments. Federal rent supplements are assigned to 40 percent of the units.

(10) Cultural Centers funded through the Art Commission.

Once these specific allocations have been made, all remaining revenues generated by the Hotel Tax are transferred to the General Fund, according to Mr. Ernest Culver of the Controller's Office, which in FY 2001-2002 amount to $112,247,729.

As shown in Attachment I, provided by the Controller's Office, in the FY 2001-2002 budget, Hotel Tax revenues in the amount of $210,329,594 have been allocated as follows:

(1) General Fund Unallocated of $112,247,729, or 53.37 percent of the total Hotel Tax revenues;

(2) General Fund Allocated of $29,386,685, or 13.97 percent of the total Hotel Tax revenues, including the Treasurer/Tax Collector which receives the lesser of 0.2 percent of the total Hotel Tax revenue collected or the Department's estimated expenditure for the administration of the collection of the Hotel Tax revenues; and

(3) Non-General Fund Allocation of $68,695,180, or 32.66 percent of the total Hotel Tax revenues, including the Mayor's Office of Housing for low-income housing programs.

According to Mr. Joe LaTorre of the Mayor's Office of Housing, there are two programs which receive non-General Fund Hotel Tax Fund monies under allocations for Low-Income Housing in the Yerba Buena Center Redevelopment Project Area. The two programs are the general Low-income Housing Program which has been allocated $5,967,937 in FY 2001-2002 and the Rent Supplement Program which has been allocated $600,000 in FY 2001-2002, or a total of $6,567,397 as reflected in Attachment I. Mr. LaTorre reports that both of the programs are managed by the Mayor's Office of Housing.

The Rent Supplement Program provides rent subsidies to eligible low-income seniors and/or disabled persons living in the Yerba Buena Center Redevelopment Project Area (see Comment No. 3). The City's Business and Tax Regulations Code Section 515.01 currently specifies that, for a 15-year period between January 1, 1987 and December 31, 2001, a maximum of $7,240,000 can be allocated to the Rent Supplement Program. The proposed ordinance would amend the City's Business and Tax Regulations Code Section 515.01 (a) to eliminate the maximum allocation of $7,240,000 and (b) to eliminate the 15-year time limit to the allocation period for the Rent Supplement Program. Mr. LaTorre advises that since January 1, 1987, approximately $6,270,000 has been spent for the Rent Supplement Program through July 16, 2001. Of the remaining available allocation of $970,000 ($7,240,000 less $6,270,000) which the Rent Supplement Program can receive, $600,000 has been appropriated in FY 2001-2002 and the Department anticipates that $370,000 would be appropriated in FY 2002-2003. As previously noted, the current Business and Tax Regulations Code Section 515.01 specifies that the appropriation to the Rent Supplement Program expires on December 31, 2001. Therefore, if this proposed ordinance is not approved, the $370,000 which the Department anticipates would be allocated for the Rent Supplement Program in FY 2002-2003 could not be expended for that purpose and such funds would instead be allocated for the construction or rehabilitation of housing for the elderly and handicapped (see Comment No. 4).

In addition, Section 515.01 of the Business and Tax Regulations Code currently limits the period during which a portion of the non-General Fund Hotel Tax Fund monies must be annually allocated for Low-Income Housing in the Yerba Buena Center Redevelopment Project Area to a 30-year period, from June 30, 1978 to June 30, 2008. According to Mr. LaTorre, the proposed ordinance would eliminate the 30-year time limit to the allocation for low-income housing in the Yerba Buena Center Redevelopment Project Area and would allow the Hotel Tax Fund allocation to continue indefinitely beyond June 30, 2008. Mr. LaTorre advises that although the funding period for low-income housing in the Yerba Buena Center Redevelopment Project Area would be extended indefinitely upon approval of the proposed ordinance, the overall percent of any current or future Hotel Tax revenues allocated to low-income housing in the Yerba

Buena Center Redevelopment Project Area would not change under the proposed ordinance.

According to Mr. LaTorre, approval of the proposed ordinance would enable the City to increase and, eventually, extend its rent supplement contracts with three nonprofit housing developments, specifically the Silvercrest Residence located at 133 Shipley Street, the Vincentian Villa located at 1825 Mission Street, and Alexis Apartments located at 380-390 Clementina Street. Mr. LaTorre reports that each of these three contracts was originally entered into in 1973, with the most recent extension for a five-year period from January 1, 1998 through December 31, 2002 (see Comment No. 2). According to Mr. LaTorre, rent increases approved by HUD in 1999 and 2000 have exceeded the levels estimated when the contracts were extended in 1997, and those contract amounts are now insufficient to provide the number of subsidized units under contract for the Silvercrest Residence and Vencentian Villa.

Comments:

1. The City's Business and Tax Regulations Code Section 515.01 (1) obligates the City to provide annual allocations for Low-Income Housing in the Yerba Buena Center Redevelopment Project Area for a 30-year period, beginning on June 30, 1978 and terminating on June 30, 2008, and (2) limits the annual allocations for the rent supplement program over a 15-year period, beginning January 1, 1987 and terminating on December 31, 2001, with a total allocation over the 15-year period not to exceed $7,240,000. Approval of the proposed ordinance would eliminate the 30-year limit on the allocation for low-income housing in the Yerba Buena Center Redevelopment Project Area, eliminate the 15-year limitation on the allocation for the rent supplement program, and eliminate the $7,240,000 limit on the total allocation (over 15 years) to the rent supplement program.

2. The City's current rent supplement contracts with Silvercrest Residence, Vincentian Villa, and Alexis Apartments, three nonprofit housing developments, expire on December 31, 2002. Mr. LaTorre advises that if this proposed ordinance is not approved, the Mayor's Office of Housing would be required to submit future

legislation to extend the Rent Supplement Program period from its current expiration date of December 31, 2001 to December 31, 2002, which is the expiration date of the existing rent supplement contracts, in order to fulfill its obligations under those contracts.

According to Mr. LaTorre, the reason that the rent supplement contracts were extended until December 31, 2002, one year beyond the December 31, 2001 termination of the Rent Supplement Program is because of a miscalculation in 1997 on the part of the Department of when the 15-year period expired.

3. Under the current Rent Supplement Program, the City provides rent subsidies to eligible seniors and/or disabled persons who are living in one of the three nonprofit housing developments, namely Silvercrest Residence, the Vincentian Villa, and Alexis Apartments, in the Yerba Buena Center Redevelopment Project Area and who are not already receiving a rent subsidy from HUD. The amount of each subsidy is equal to the units' monthly rent (as set by HUD) minus 30 percent of the tenants' monthly income. To qualify to receive these rent supplements from the City, a person must be over the age of 62 and/or disabled with income that does not exceed "low income" for the San Francisco metropolitan area, adjusted for household size, as defined by Federal Housing and Urban Development (HUD). "Low income" as defined by HUD in 2001 is $47,600 for a one-person household, $54,400 for a two-person household, $61,200 for a three-person household, and $68,000 for a four-person household.

4. According to Mr. LaTorre, if this proposed ordinance is not approved, funds anticipated for allocation to the FY 2002-2003 Rent Supplement Program in the amount of $370,000 cannot be expended and such funds will instead be allocated for the construction or rehabilitation of housing for the elderly and handicapped. Therefore, the Budget Analyst considers approval of this proposed ordinance to be a policy matter for the Board of Supervisors.

5. Attachment II is a memorandum from Mr. LaTorre explaining why the Rent Supplement Program was

limited to a 15-year period with a maximum allocation during that period of $7,240,000. The memorandum also explains why the Mayor's Office of Housing currently wants to extend the Rent Supplement Program.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

HOTEL TAX REVENUE
FY 97-98, FY 98-99, FY 99-00, FY 00-01, FY 01-02

DEPARTMENT		FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Projection	FY2001-02 BUDGET
General Fund Unallocated	UNA	51,663,839	56,307,195	65,518,827	78,284,425	82,200,644
2% Surcharge Effective 8-1-98	UNA	21,451,855	23,073,958	26,014,577	28,616,271	30,047,085
General Fund Unallocated - Subtotal		*73,115,694*	*79,381,153*	*91,533,404*	*106,900,696*	*112,247,729*
% of Total General Fund		**73.14%**	**74.25%**	**74.65%**	**79.25%**	**79.25%**
% of Total Hotel Tax Revenue		**48.69%**	**49.15%**	**50.26%**	**53.37%**	**53.37%**
Recreation & Park Commission	REC	4,770,360	5,130,999	5,644,100	0	0
Treasurer/Tax Collector	TTX	103,308	111,118	124,422	136,864	143,707
Asian Arts Museum	AAM	1,565,873	1,684,253	1,852,679	2,037,947	2,139,844
Fine Arts Museum	FAM	3,947,224	4,245,634	4,670,198	5,137,218	5,394,079
Mayor (Grants for the Arts)	MYR	11,991,838	12,797,561	14,557,319	16,013,051	16,813,703
Art Commission (Cultural Equity Endow.)	ART	1,722,843	1,853,090	2,038,400	2,242,240	2,354,352
Protocol	MYR	1,500,000	0	0	0	0
Cultural Centers	ART	1,250,000	1,700,000	2,200,000	2,420,000	2,541,000
General Fund Allocated - Subtotal		*26,851,446*	*27,522,655*	*31,087,118*	*27,987,320*	*29,386,685*
% of Total General Fund		**26.86%**	**25.75%**	**25.35%**	**20.75%**	**20.75%**
% of Total Hotel Tax Revenue		**17.88%**	**17.04%**	**17.07%**	**13.97%**	**13.97%**
TOTAL GENERAL FUND		*99,967,140*	*106,903,808*	*122,620,522*	*134,888,016*	*141,634,414*
% of Total Hotel Tax Revenue		**66.57%**	**66.19%**	**67.34%**	**67.34%**	**67.34%**
Administrative Services-Convention Facilities	*CFM*	*32,059,222*	*35,477,574*	*39,025,333*	43,520,350	*46,109,494*
Mayor (Low Income Housing Programs)	*MYR*	*4,810,360*	*5,174,023*	*5,691,426*	6,256,569	*6,567,397*
War Memorial & Performing Arts	*WAR*	*7,473,309*	*8,038,291*	*8,842,121*	9,726,333	*10,212,650*
Yerba Buena Gardens/Redev. Agency Bonds		*5,852,952*	*5,924,007*	*5,922,634*	5,922,634	*5,805,639*
TOTAL NON-GENERAL FUND		*50,195,843*	*54,613,895*	*59,481,514*	*65,425,886*	*68,695,180*
% of Total Hotel Tax Revenue		**33.43%**	**33.81%**	**32.66%**	**32.66%**	**32.66%**
TOTAL HOTEL TAX REVENUE		150,162,983	161,517,703	182,102,036	200,313,902	210,329,594

MEMORANDUM

Mayor's Office of Housing

July 18, 2001

TO: Anna Weinstein, Budget Analyst

FROM: Joe LaTorre

SUBJECT: Hotel Tax Fund Rent Supplement Program

You have requested the Mayor's Office of Housing to explain why the Rent Supplement Program was limited to a 15-year period with a maximum allocation of $7,240,000, and why MOH wants to extend the Rent Supplement Program at this time.

Extension of Rent Supplement Program

The Rent Supplement Program was actually established as a 35 year program by the terms of the settlement agreement entered into in 1973 among the City, the Redevelopment Agency, HUD and Tenants and Owners in Opposition to Redevelopment. Ordinances No. 289-72 and 290-72 established the program in the San Francisco Municipal Code. Rent supplement contracts were first entered into in 1973.

In 1986, Section 515 of the Municipal Code was amended to fund the rent supplement program for an additional 10 years, and the amount of $4,000,000 was specified as a set-aside within the Low Income Housing allocation to fund rent supplements. Because the necessary rent subsidies were somewhat lower than the cap amount, the $4,000,000 allocation actually was able to fund the contracts for an additional year, through the end of 1997. In 1997, the Mayor's Office of Special Projects prepared and submitted to the Board of Supervisors a further amendment to the Municipal Code, increasing the amount available for rent supplement contracts to $7,240,000 (i.e. an additional $3,240,000), and extending the period for an additional five years.

The Mayor's Office of Housing is recommending that the maximum allocation limit and the current 15-year time limit (which ends on December 31, 2001) be eliminated from the Hotel Tax Fund provisions of the Business and Tax Regulations Code because:

a. The current contracts extend through December 31, 2002. The current year's budget appropriates funds through June 30,2002, but the Board's ability to appropriate funds for the six months beginning July 1, 2002 would appear to be restricted by the 15-year limit

b. The terms of the settlement agreement require the City to provide rent supplements for a specified number of units through June 2008. Both the current statutory time limit and dollar amount are not consistent with this obligation.

After consultation with the Controller's Office, MOH believes that the Code ought to provide general authorization for the rent supplement program, and that the specific amounts required on a year-to-year basis be determined through the budget process (in which the rent supplement program is identified as a specific line item).

Removal of Sunset Provision for Low Income Housing Allocation

MOH is also recommending that the time limitation on the allocation of Hotel Tax Funds for low income housing in general be removed from the Business and Tax Regulations Code. The current code states that allocations for low income housing be ended on June 30, 2008. We believe that this provision was originally intended only to apply to the rent supplement program, since the City's obligation under the settlement agreement extended to that date. However, as currently worded, allocations for both rent supplements and for the construction and rehabilitation of low income housing would be terminated.

Hotel Tax Funds are a key contribution to the City's affordable housing strategy, and are currently used to build housing for seniors and people with disabilities throughout the City. While 2008 is still some time away, it is highly improbable that low income housing will no longer be a pressing need and a high priority for City resources at that time. It should be noted that most of the other allocations of Hotel Tax Funds do not contain a provision sunsetting availability of funding.

MOH therefore recommends that Hotel Tax Funds be made available to fund low income housing on a continuing basis in the future, subject of course to ongoing evaluation of the Hotel Tax funded programs as a whole. This would enable MOH to continue both the financing of capital costs of new housing construction and rehabilitation, and the funding of the rent supplements after 2008 if this remains a cost-effective means of providing low-income housing affordable to seniors and disabled in the future.

If the Board determines at this time that the low income housing program should remain subject to termination on June 30, 2008, the proposed ordinance should be amended to restore Section 515.01 (d) (2) to the Business and Tax Regulations Code. It is likely that the Mayor's Office of Housing will seek an extension of the program or removal of the sunset provision when that date draws closer.

Item 7 - File 01-1322

Department: Department of the Environment (DOE)

Item: Resolution authorizing the Department of the Environment to accept and expend a 23-month grant in the amount of $7,800,000 from the California Public Utilities Commission for a small business lighting retrofit program.

Amount: $7,800,000

Source of Funds: California Public Utilities Commission (CPUC)

Description: The proposed resolution would provide grant funding for a 23-month period to identify and implement a small business lighting retrofit program in order to reduce energy use in the City.

The Department of the Environment has been awarded this grant for the 23-month period of August 1, 2001 through June 30, 2003. The proposed resolution requests authorization to accept the $7,800,000 in funding and to expend $752,500, or 9.65 percent for DOE management and overhead costs. Remaining funds of $7,047,500 would be expended for contractual services to implement the grant project. According to Mr. David Assman, Director of the DOE, the department plans to conduct a competitive Request for Proposals (RFP) process for contractor selection to implement the program.

Comments: 1. Although the proposed resolution was just introduced at the Board of Supervisors meeting of July 16, 2001, the DOE has requested early consideration by the Finance Committee at the meeting of July 25, 2001 so that the DOE can receive authorization to sign the CPUC grant award prior to the August 1, 2001 deadline in order to accept the grant.

2. The Budget Analyst has not had sufficient time to perform a review of proposed grant expenditures. Moreover, as noted above, the DOE intends to

conduct an RFP process for expenditure of $7,047,500 of the $7,800,000 in grant funds. Therefore, the Budget Analyst recommends that the entire grant award of $7,800,000 be placed on reserve by the Finance Committee.

Recommendations:

1. Amend the proposed resolution to reserve the full amount of the proposed $7,800,000 grant award.

2. Approve the proposed resolution as amended.

Item 8 - File 01-1227

Department: Department of Human Services (DHS)

Item: Resolution authorizing the renewal of an existing contract with the Children's Council of San Francisco, a California corporation, to continue the provision of child care services and capacity building initiatives.

Contract Amount: Not to exceed $72,922,718

Source of Funds: A combination of City General Fund and Children's Fund monies (14.3 percent) and State funds (85.7 percent). The sources of funding for the $72,922,718 contract costs, as provided by the Department of Human Services (DHS), are summarized below:

City monies included in DHS' FY 2001-2002 budget and projected for the FY 2002-2003 budget:

General Fund	$10,208,933
Children's Fund	222,908
Total City monies	**$10,431,841**
State Funds:	
CalWORKS	$29,597,126
CA Dept. of Ed.	32,893,751
Total State Funds	**$62,490,877**
Total Contract Costs	$72,922,718

Contract Period: 23 months, from August 1, 2001 through June 30, 2003 (see Comment No. 1)

Description: The proposed resolution would authorize the renewal of an existing contract between the Department of Human Services (DHS) and the Children's Council of San Francisco for the Children's Council of San Francisco to provide oversight of the child care referral and subsidy system program for eligible children and families. The purpose of the contract is to continue the service level and enrollment for CalWORKS child care programs. Under the proposed contract renewal, the Children's Council would continue to arrange child care subsidy enrollment, monitor eligibility and child care provider services and issue payments to providers.

Children and families eligible for the child care programs include those who are in CalWORKS Stages I and II, teen mothers and children with foster parents who work. CalWORKS Stage I includes those families who are currently eligible for Temporary Aid for Needy Families (TANF) and CalWORKS. Stage II includes families who have recently stopped receiving TANF and CalWORKS aid payments. Stage II families are eligible for child care subsidies for up to 24 months after leaving TANF and CalWORKS.

The previous contract, in the amount of $32,817,700, was for the one-year period from July 1, 2000 through June 30, 2001 at an average monthly cost of $2,734,808. The average monthly cost for the proposed 23 month renewal contract is $3,170,553 which is $435,745 or 15.9 percent more.

Ms. Joy Trainor of DHS reports that the total average number of children provided child care services per month in FY 2000-2001 was 3,748. Under the proposed 23 month contract renewal in the amount of $72,922,718, DHS estimates that the program will serve 4,810 children per month in FY 2001-2002 and 5,210 children per month in FY 2002-2003. Compared to FY 2000-2001, this represents an increase of 28.3 percent and 39 percent more children respectively being served at an average cost increase of 15.9 percent per month. Under the FY 2000-2001 contract the Children's Council received approximately $650 per child per month.[1] Under the proposed contract the Children's Council will receive approximately $475 per child per month. Attachment II provided by DHS, explains how the Children's Council will be able to serve the projected number of children per month at the lower average rate per child per month. Because the contract is on a reimbursement basis, the contractor will only bill for children actually served. If the contractor does not reach the projected number of children served, the contract funds will not be fully expended.

---

[1] The amount received per child per month varies based on the age of the child, the level of care provided, the amount of child care received and the rate of the child care providers.

The proposed contract includes total General Fund monies of $10,431,841, including $6,375,600 for the Family and Children's Services Program, which provides child care services to intact families and foster families, and $3,833,333 of General Fund monies will be used for the City Child Care Program, which provides child care subsidies to low-income families primarily using family child care services. Children's Fund monies in the amount of $222,908 will also be expended for the City Child Care Program.

A total of $29,597,126, will be contributed by the California Department of Social Services (CDSS) through an allocation of CalWORKS funds. The $29,597,126 includes CalWORKS Stage I funds in the amount of $28,376,624 and an additional $1,220,502 of CalWORKS funds intended for the Trustline, Personal Assisted Employment Services program (P.A.E.S.), and capacity building projects. Trustline is a state registry which checks criminal records and provides criminal clearance for child care providers. P.A.E.S. provides services for single adults. Under the proposed contract, single parents qualifying for P.A.E.S. would receive child care subsidies. Capacity building projects are designed to increase the number and quality of childcare slots, resources and services through providing child care providers with technical assistance, training programs, scholarships and developmentally appropriate toys and supplies. Ms. Michele Rutherford of DHS reports that the Children's Council has successfully completed capacity building initiatives as part of the previous contract including: providing Cantonese and Cardiopulmonary Resuscitation classes to family child care licensing applicants, and providing scholarships to low income family child care applicants and to licensed child care providers for professional development. CalWORKS Stage II funds in the amount of $32,893,751 will be contributed by the California Department of Education. Attachment I, provided by DHS, contains a summary contract budget of $72,922,718 for the entire 23 month contract period to be expended by the Children's Council of San Francisco.

Comments:

1. The subject contract renewal period is 23 months, from August 1, 2001 to June 30, 2003. Ms. Trainor reports that because the previous contract ended on June 30, 2001, the Department has already entered into an interim contract extension for the amount of $3,047,075 with the Children's Council for the one-month period from July 1, 2001 to July 31, 2001. According to Ms. Virginia Elizondo of the City Attorney's Office, under Administrative Code Section 9.118, DHS was permitted to enter into the interim contract without prior Board of Supervisors approval because the interim contract is for less than 10 years in duration and for less than $10,000,000. According to Ms. Trainor, DHS entered into the interim contract in order to provide continuity in services during the authorization process for the proposed contract renewal.

2. According to Ms. Rutherford, the Children's Council was first selected to administer the Child Care Subsidies Program in 1997 through an RFP process. The Children's Council has continued to administer the program since 1997. Attachment III provided by DHS, explains why DHS is entering into a contract with the Children's Council of San Francisco without conducting another RFP process.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Attachment I

	A	B	C	D	E	F	G	H	I
1									Appendix B, Page 1
2								Document Date:	June 1, 2001
3	DEPARTMENT OF HUMAN SERVICES CONTRACT BUDGET SUMMARY BY PROGRAM								
4									
5	Contractor's Name							Contract Term	
6	Children's Council of San Francisco, Inc.							August 1, 2001 through June 30, 2003	
7	(Check One) New ___ Renewal X Modification ___								
8	If modification, Effective Date of Mod. No. of Mod.								
9	Program:	Trustline	Stage 1	Stage 2	City Child Care	Family & Children Services	P.A.E.S	Capacity Building Projects	Total
10	Budget Reference Page No.(s)	1-12	1-12	1-12	1-12	1-12	1-12	1-12	1-12
11	Program Term	8/1/01 to 6/30/03	8/1/01 to 6/30/03	8/1/01 to 6/30/03	8/1/01 to 6/30/03	8/1/01 to 6/30/03	8/1/01 to 6/30/03	8/1/01 to 6/30/03	8/1/01 to 6/30/03
12	Expenditures								
13	Salaries & Benefits	$ 20,638	$ 3,245,059	$ 3,355,562	$ 205,510	$ 774,431	$ 50,189	$ 107,907	$ 7,759,296
14	Operating Expense	36,689	24,373,750	28,813,259	3,810,989	5,601,169	419,589	572,094	63,627,539
15	Capital Expenditure	-	75,708	37,375	-	-	-	-	113,083
16	Subtotal	57,327	27,694,517	32,206,196	4,016,499	6,375,600	469,778	680,001	71,499,918
17	Indirect Cost	4,006	682,107	687,555	39,742	-	9,390	-	1,422,800
18	*Indirect Percentage (%) of direct cost (Line 16)*	7%	2%	2%	1%	0%	2%	0%	
19	Total Expenditures	$ 61,333	$ 28,376,624	$ 32,893,751	$ 4,056,241	$ 6,375,600	$ 479,168	$ 680,001	$ 72,922,718
20	DHS Revenues								
21	General Fund					$ 6,375,600			$ 6,375,600
22	CalWORKS - single allocation	$ 61,333	$ 28,376,624				$ 479,168	$ 680,001	29,597,126
23	Calif. Dept. of Education			$ 32,893,751					32,893,751
24	SF- DCYF				$ 222,908				222,908
25	SF-Board of Supvs. Child Care Funds				3,833,333				3,833,333
26	General Fund - M.O.E.								-
27									
28	TOTAL DHS REVENUES	$ 61,333	$ 28,376,624	$ 32,893,751	$ 4,056,241	$ 6,375,600	$ 479,168	$ 680,001	$ 72,922,718
29	Other Revenues								
30	No other revenues.								
31									
32	Total Revenues	$ 61,333	$ 28,376,624	$ 32,893,751	$ 4,056,241	$ 6,375,600	$ 479,168	$ 680,001	$ 72,922,718
33	Full Time Equivalent (FTE)	0.34	41.60	47.00	2.70	10.00	0.70	1.00	103.34
34									
35	Prepared by: John Uselman							415-276-2900	Date: 06/01/2001
36	DHS-CO Review Signature:								

4/7/1992

Attachment II

City and County of San Francisco **Department of Human Services**

Joy Trainor
Senior Contracts Manager
1650 Mission Street, #300
San Francisco, CA 94103
415-557-5162
joy_trainor@ci.sf.ca.us

DATE: July 19, 2001

TO: Board of Supervisors, Finance Committee

FROM: Joy Trainor, Senior Contracts Manager
Department of Human Services

RE: Childrens' Council – Subsidies Programs

The infrastructure and capacity of the Children's Council has been increased to allow them to administer the 29% and 39% increased childcare subsidies with only a 15.9% increase in cost. That is a true economy of scale.

The reduction in the rate per childcare subsidy from $650 per month to $475 per month is applicable to the CalWORKS stage I and stage II children only and is based upon historical utilization rates of the childcare hours available to each child. As an example: a child has been allotted 8 hrs of childcare per day and over the course of the month only used an average of 6 hrs per day.

The reduction from $650 to $475 is a projection of the actual utilization of childcare hours. This is a factor adding to the economy of scale because it ultimately results in more hours available to serve more children.

If you have additional questions or require further clarification, please feel free to contact me.

Thank you.

415-557-5000 **1650 Mission Street, Suite 300** **San Francisco, California 94103**

Attachment III

City and County of San Francisco

Department of Human Services

Joy Trainor
Senior Contracts Manager
1650 Mission Street, #300
San Francisco, CA 94103
415-557-5162
joy_trainor@ci.sf.ca.us

DATE: July 19, 2001

TO: Board of Supervisors, Finance Committee

FROM: Joy Trainor, Senior Contracts Manager
Department of Human Services

RE: Childrens' Council – Subsidies Programs

In response to the question by the Finance Committee Analyst, 'Why was a RFP not conducted for this child care contract,' is the following:

The California Department of Education requires that childcare payments under CalWORKS Stage II, be administered by State Certified Alternate Payment Providers (APP). 38 counties in California, including San Francisco have established that all CalWORKS Childcare payments be provided through the APP. The Children' Council of San Francisco is one of three State approved APPs in San Francisco County. The other two Alternate Payment Providers are DHS and the Private Nursery School Association, a multi-county APP that does not have a significant presence in San Francisco.

In the original administrative plan for CalWORKs child care submitted to the California Department of Education, the Private Nursery School Association signed off on the current administrative structure for CalWORKs child care. Rather than fragment funding streams and eligibility, the Department has consolidated various subsidy programs within the contract to maximize federal and state funding and to minimize disruptions in eligibility and childcare services for families. The Human Services Commission has authorized the sole-sourcing of these services to the Children's Council, for the above cited reasons.

If you additional questions or require further clarification. please feel free to contact me.

Thank you.

Item 9 – File 01-0059

Departments:
Department of Human Resources
Department of Public Health

Item: Ordinance repealing Section 16.9-29 of the San Francisco Administrative Code and replacing it with a new Section 16.9-29A to authorize the transfer of vacation and sick leave credits to a pool of catastrophically ill employees and to individual catastrophically ill employees, and adding a new Section 16.9-29B to authorize the transfer of vacation credit to individuals who must care for catastrophically ill family members.

Description: Administrative Code Section 16.9-29 presently permits employees of the City and County of San Francisco to transfer unused accumulated sick leave and/or vacation time to an individual City and County of San Francisco employee who has been determined to be catastrophically ill (a life-threatening illness or injury) and who has exhausted his or her vacation allowance, sick leave and compensatory time off. In November of 1999, San Francisco voters approved a City Charter Amendment (Proposition D) amending Sections A8.364 and A8.441 authorizing the Board of Supervisors to allow City and County employees to also donate sick leave and vacation time to a pool from which catastrophically ill employees could draw and to allow City and County employees to donate vacation time to employees who must care for a catastrophically ill family member. This proposed ordinance would codify the provisions of the 1999 City Charter Amendment in the Administrative Code. According to Mr. Ed Gazzano of the Department of Public Health, the delay in submitting this ordinance to the Board of Supervisors was due to difficulties in bringing together and obtaining agreement among the various City agencies involved in the development and implementation of the proposed legislation.

The proposed ordinance would repeal Section 16.9-29 of the Administrative Code and create two new sections; Section 16.9-29A and Section 16.9-29B. According to Ms. Aleeta Van Runkle of the City Attorney's Office, the proposed replacement of Section 16.9-29 of the City's Administrative Code would:

- Permit eligible City and County (City) employees to donate their sick leave and vacation time to either a pool of donated time for catastrophically ill employees or to an individual catastrophically ill employee.
- Permit an individual, who recovers from a catastrophic illness and returns to work, to keep 64 hours of donated time.
- Require individuals to remit their unused time in excess of 64 hours to the Catastrophic Illness Pool of donated time, upon termination of participation in the Catastrophic Illness Program (CIP).
- Require employees who are covered by a short or long term disability program paid in whole, directly or indirectly, by the City to utilize the disability program instead of the CIP once the employees qualify for the disability benefits.
- Permit those employees in the CIP as of the effective date of the proposed ordinance, who are eligible for a short or long term disability program paid for by the City in whole, directly or indirectly, to remain in the CIP.
- Continue to allow for the CIP to be terminated if a Charter provision, ordinance or a Memorandum of Understanding creates a City-paid long-term disability program that would cover all City employees.
- Create a new program that permits employees to donate vacation time to individual employees who have to care for a Catastrophically Ill Family Member (CIP-FM).
- Permit CIP-FM individuals, who return to work, to keep 64 hours of donated leave.
- Require CIP-FM individuals to remit their unused time in excess of 64 hours to other employees with catastrophically ill family members, upon termination of participation in the CIP-FM.

Comments: Catastrophic Illness Program (CIP)

1. Currently, to be eligible for the CIP, the employee must meet the following conditions: (1) the employee must be eligible to accumulate and use sick leave and vacation time; (2) the employee must be catastrophically ill; (3) the employee must have exhausted all of his/her available paid leave; (4) and the employee must not be concurrently participating in a City-paid short or long term disability

program. A City employee who claims to be catastrophically ill must complete an application form and return it to the Department of Public Health (DPH) along with supporting medical documentation. The DPH examines the application and supporting materials to determine if an employee is considered catastrophically ill. The DPH would then approve participation in the CIP for a specified period of time. Employees who are determined by DPH not to be catastrophically ill have the right to appeal and/or can reapply to the CIP after observing a 30-day waiting period from the date of the denial (an employee is not required to have exhausted the administrative appeal process before reapplying). According to Mr. Ed Gazzano from the DPH, the CIP application and appeal process would remain the same under the proposed ordinance. Mr. Gazzano states that, on average, there are approximately 40 employees in the CIP at any given time.

2. The proposed Section 16.9-29A would permit City employees to donate their sick leave and vacation time to either an individual City employee or a pool of donated time for catastrophically ill employees to draw from. Currently, City employees may only donate their sick leave or vacation time to individual employees. According to Mr. Gazzano, approximately 4 of the 31 City employees, or 12.9 percent, who are currently in the CIP program, as defined under the existing 16.9-29, do not have any time specifically donated to them. Therefore, the proposed pool of donated time would benefit such employees.

3. As noted above, the proposed ordinance would require City employees who are covered by a short or long term disability program paid in whole, directly or indirectly, by the City to utilize the disability program instead of the CIP once the employees qualify for the disability benefits. According to Ms. Van Runkle of the City Attorney's Office, long-term disability benefits are paid at approximately 60 percent of an employee's salary, while CIP participants are paid at 100 percent of their salary, contingent upon receiving sufficient donations of sick leave and vacation time. Mr. Gazzano of the DPH reports that currently City employees are able to choose whether to access the CIP, which pays at 100 percent of their salary, or the disability program, which pays at 60 percent of their salary. Mr. Gazzano does not

have an estimate of the number of employees who have opted for the CIP over their disability benefits. Under the proposed ordinance, City employees would only be able to participate in the CIP until they are qualified to receive their disability benefits and after their disability benefits have expired. However, the proposed ordinance will permit those employees participating in the CIP as of the effective date of the proposed ordinance and who are eligible for short or long term disability benefits for which the City pays in whole, directly or indirectly, to stay in the CIP.

According to Ms. Alice Villagomez from the Department of Human Resources, the City has currently entered into 18 Memoranda of Understanding (MOUs) which provide for long term disability programs for which the City pays in whole, directly or indirectly. Those 18 MOUs are: (1) International Federation of Professional and Technical Engineers Local 21; (2) the Service Employees International Union (SEIU) miscellaneous MOU including Local 250, Local 535, and Local 790; (3) SEIU Local 790 Staff Nurses; (4) Municipal Attorneys Association; and, (5) Local 856 Teamsters for Supervising Nurses; (6) Sheet Metal Workers, Local 104; (7) Painters, Local 4; (8) Glaziers, Local 718; (9) Carpenter's Local 22; (10) Teamsters Local 853; (11) Building Inspectors Association; (12) Building Inspectors Association (Class 6134); (13) Teamsters Local 856; (14) Union of Physicians and Dentists (Unit 8-CC); (15) Union of Physicians and Dentists (Unit 11-AA); (16) Transport Workers Union Local 250-A (Class 7410s); (17) Transport Workers Union Local 250-A (Multi Unit); and, (18) Transport Workers Union Local 200 (SEAM). These 18 MOUs cover approximately 17,123 budgeted positions as of August 1 of 2000. The Attachment to this report, provided by Ms. Villagomez, provides individual employee counts as of August 1, 2000 for all 47 MOUs between the City and employee organizations, including the 18 MOUs listed above.

Catastrophically Ill Program-Family Member (CIP-FM)

4. Section 16.9-29B would create the CIP-FM, as authorized in the City Charter Section A8.441. The CIP-FM would permit City employees to donate vacation time only to individual employees who: (a) must care for a catastrophically ill family member; (b) who are eligible to earn and use sick leave time; and, (c) have exhausted all of his or her time off. Family member is defined as a spouse, domestic partner or other dependents, as defined in the Internal Revenue Code 26 U.S.C. Sec. 152, as amended from time to time. Unlike CIP, CIP-FM does not create a pool of donated time. The donation requirements are discussed in Comment No. 6 below.

The Budget Analyst notes that since vacation time is a vested benefit, the City would be required to pay for such vested vacation time regardless of whether such time were transferred to an employee caring for a catastrophically ill family member or paid to the employee who earned such vacation time. Employees who are covered by a short or long term disability program for which the City pays in whole, directly or indirectly would not be excluded from participating in the CIP-FM.

CIP and CIP-FM

5. Donations of sick leave or vacation time to an individual CIP employee, CIP pool or CIP-FM would be subject to the following conditions: (1) donating employees must retain a minimum sick leave balance of 64 hours; (2) donations must be in 8 hour increments; (3) donations are irrevocable; (4) donations cannot be done more than once a pay period, of which no more than 80 hours may be to individual employees; (5) donating employees may transfer no more than 480 hours per fiscal year to the CIP pool and individual employees combined or a maximum of 480 hours per fiscal year for the CIP-FM.

Fiscal Impacts

6. Similar to the CIP, employees must complete a prescribed application form for the CIP-FM, along with supporting

medical materials and return it to the Department of Public Health for review. Mr. Gazzano states that the initial start-up costs associated with the CIP-FM would include the development and printing of CIP-FM information and application forms. Mr. Gazzano states that such costs should be minimal and would be absorbed within the Department of Public Health's FY 2001-2002 budget.

Also, similar to the CIP, applicants have the right to appeal denials and/or can reapply to the CIP after observing a 30-day waiting period from the date of the denial (an employee is not required to have exhausted the administrative appeal process before reapplying). Mr. Gazzano expects that the costs for the CIP-FM appeal process would be minimal, as there have been only two or three CIP appeals in the past ten years, and such costs would be absorbed within the Department of Public Health's FY 2001-2002 budget.

Mr. Gazzano estimates that currently DPH staff spend a total of approximately eight hours per pay period administering the application, approval, and appeals process for the current version of the CIP, at an estimated total annual cost of approximately $10,161. Mr. Gazzano notes that, because it is difficult to predict the number of employees who would apply for the CIP-FM or contribute to the CIP Pool, he is unable to estimate the increase in the Department's workload and administrative costs under the proposed legislation. However, Mr. Gazzano notes that any additional workload would be handled by existing staff and additional administrative costs would be absorbed within the DPH annual budget, thereby not resulting in any additional costs to the City.

According to Ms. Sandra Holmes from the Controller's Payroll and Personnel Services Department (PPSD), PPSD staff currently spend approximately 30 hours per pay period administering the current version of the CIP at an estimated total annual cost of approximately $22,620. PPSD transfers the donated time to the catastrophically ill individual from the donor, so that the City's records reflect the amount of paid leave available for the involved employees. Ms. Holmes states that the additional workload associated with processing the donated time for the CIP Pool and CIP-FM would be handled by existing staff at the Controller's Office.

Mr. Matthew Hymel of the Controller's Office stated that any increase in PPSD's workload and administrative costs with the addition of the CIP Pool and CIP-FM would be absorbed in the Controller's annual budget and would not result in any additional costs to the City.

As noted in Comment No. 3 above, the proposed ordinance would require City employees who are covered by a short or long term disability program paid in whole, directly or indirectly, by the City to utilize the disability program instead of the CIP. According to Mr. Gazzano, currently City employees are able to choose whether to access the CIP, which pays at 100 percent of their salaries, or the disability program, which pays at 60 percent of their salaries. The proposed ordinance would therefore save the City the CIP costs associated with employees who otherwise would have chosen the CIP instead of their disability benefits because covered employees would be required to use the disability program first, before becoming eligible for the CIP. Mr. Gazzano does not have an estimate of the number of employees thus far who have opted for the CIP over their disability benefits.

Also, Mr. Jim Smothers of PPSD advises that CIP recipients are paid based on the recipient's rate of pay and not the donor's rate of pay. Mr. Smothers further states that for the most part, the donor's rate of pay exceeds the recipient's rate of pay. For example, Mr. Smothers notes that 1,968 vacation hours have been donated as of June 8, 2001 for FY 2000-01, at a value of $107,280, based on the donors' rate of pay. The value of the donation based on the recipients' rate of pay is $95,222, a savings of $12,058. Mr. Smothers advises that he is unsure how many vacation hours would be donated under the CIP-FM. However, if the donor's rate of pay continues to be higher than the recipient's rate of pay, the City will save money on vacation benefits.

7. According to Ms. Clare Murphy from San Francisco Employees' Retirement System, the proposed ordinance should have no significant fiscal impact on the City and County's pension costs.

8. In summary, the proposed ordinance would (1) permit City employees to donate sick leave and vacation time to either an individual City employee or a pool of donated time

for catastrophically ill employees to draw from; (2) create the Catastrophically Ill Program-Family Member where City employees can donate vacation time only to other City employees who must care for catastrophically ill family members; and (3) require City employees who are covered by a disability program paid in whole, directly or indirectly, by the City to utilize the disability program instead of the CIP once the employees qualify for the disability benefits. The costs associated with the proposed ordinance are for the initial materials and supplies and administrative costs. As noted in Comment No. 6 above, the initial start-up costs would be minimal and would be absorbed by the DPH. Neither the Controller's Office nor the DPH were able to estimate the increase in the CIP's administrative costs with the addition of the CIP Pool and CIP-FM. As noted in Comment No. 6, both the Controller's Office and the DPH report that any cost increase as a result of this proposed ordinance would be absorbed in the Departments' annual budgets and would thereby not result in any additional costs to the City. The proposed ordinance would also potentially reduce program costs because CIP recipients are paid based on the recipient's rate of pay, which has, for the most part, been lower than the donor's rate of pay.

Recommendation: Approve the proposed ordinance.

CITY AND COUNTY OF SAN FRANCISCO
Employee Organizations as of August 1, 2000

ATTACHMENT

Organizations	Budgeted Positions	Expiration Date of MOU
1. Automotive Machinists, Local 1414	383	June 30, 2001
2. Bricklayers Local 3/Hod Carriers, Local 36	15	June 30, 2001
3. Building Inspectors Association	65	June 30, 2001
4. CAIR/CIR (Interns & Residents)	205	June 30, 2003
5. Carpenters, Local 22	92	June 30, 2001
6. Cement Masons, Local 580	23	June 30, 2001
7. Deputy Sheriffs' Association	782	June 30, 2001
8. District Attorney Investigators Association	66	June 30, 2001
9. Electrical Workers, Local 6	676	June 30, 2001
10. Glaziers, Local 718	7	June 30, 2001
11. Intl. Alliance of Theatrical Stage Employees, Local 16	3	June 30, 2001
12. Ironworkers, Local 377	17	June 30, 2001
13. Laborers International Union, Local 261	918	June 30, 2001
14. Municipal Attorneys' Association	384	June 30, 2001
15. Municipal Executives Association	768	June 30, 2001
16. MEA - Police Management	3	June 30, 2001
17. MEA - Fire Management	5	June 30, 2001
18. Operating Engineers, Local 3	54	June 30, 2001
19. Painters, Local 4	90	June 30, 2001
20. Pile Drivers, Local 34	15	June 30, 2001
21. Plasterers and Shophands', Local 66	1	June 30, 2001
22. Plumbers, Local 38	319	June 30, 2001
23. Probation Officers Association, Teamsters Loc. 856	169	June 30, 2001
24. Professional & Technical Engineers, Local 21	3587	June 30, 2001
25. Roofers, Local 40	10	June 30, 2001
26. S.F. Institutional Police Officers Association	18	June 30, 2001
27. S.F. Firefighters, Local 798	1586	June 30, 2001
28. S.F. Police Officers Association	2306	June 30, 2001
29. SEIU Local 250	1893	June 30, 2003
30. SEIU Local 535	1301	June 30, 2003
31. SEIU Local 790	7071	June 30, 2003
32. SEIU Local 790 (Staff Nurses)	1425	June 30, 2000
33. SEIU (H-1 Rescue Paramedics)	161	June 30, 1999
34. SEIU Local 790 (Superior Court)	166	June 30, 2000
35. Sheet Metal Workers, Local 104	44	June 30, 2001
36. Stationary Engineers, Local 39	585	June 30, 2001
37. Supervising Probation Officers, Oper.Engrs. Local 3	21	June 30, 2001
38. Teamsters, Local 350	2	June 30, 2001
39. Teamsters Local 853	154	June 30, 2001
40. Teamsters, Local 856 (Multi-Unit)	126	June 30, 2001
41. Teamsters, Local 856 (Supervising Nurses)	148	June 30, 2003
42. TWU, Local 200 (SEAM Multi-Unit)	292	June 30, 2001
43. TWU, Local 250-A (7410)	122	June 30, 2001
44. TWU, Local 250-A (9163)	1844	June 30, 2000
45. TWU, Local 250-A (Multi-Unit)	141	June 30, 2001
46. Union of American Physicians & Dentists	181	June 30, 2001
47. Unrepresented Employees	222	June 30, 2001
TOTAL	28,466 (1)	

(1) Budgeted positions include SFUSD personnel
L:\SHARE\ERD\UnionList.doc

Item 10 - 01-1163

Department: Art Commission

Item: Ordinance revising the terms and conditions for the expenditure of a previously approved supplemental appropriation of $1,500,000 to provide rent, relocation, capital improvement and real property acquisition assistance to nonprofit arts organizations that are in immediate danger of being evicted or displaced by rent increases, and otherwise amending the terms of the assistance program.

Description: On November 6, 2000, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of $1,500,000 (File 00-1810) and a companion ordinance (File 00-1811), which specified the terms and conditions for the award of the $1,500,000 of funds, for one-time emergency financing for rent assistance for nonprofit arts organizations that are facing immediate eviction or displacement due to significantly increased rents in San Francisco. According to Ms. Miriam Stombler of the City Attorney's Office, the purpose of this proposed ordinance is to revise the terms and conditions relating to the previously approved supplemental appropriation of $1,500,000 regarding the rent assistance program in order to respond to experiences that have arisen in the course of administering the existing rent assistance program.

According to Ms. Stombler, the proposed ordinance would make the following changes to the existing terms and conditions of the previously approved $1,500,000 rent assistance program:

- Allow for relocation cost assistance, capital improvement funds and real property acquisition funds, in addition to rental assistance for eligible nonprofit arts organizations;
- Require that relocation costs, capital improvement funds and real property acquisitions be expended only for real property within San Francisco and only for expenses incurred after January 1, 1999;

- Require that each eligible nonprofit arts organization receive no more than $80,000 in relocation costs, capital improvements and real property acquisition;
- Add two more eligible arts disciplines, art school/art education and arts/social services, to the existing six disciplines; (see Comment No. 4)
- Consider a rent increase significant if it is an increase of 25 percent or more over the previous year's rent (on or after January 1, 1999), rather than the current requirement that only rent increases of at least 100 percent qualify as significant;
- Eliminate the requirement of one grant per leasehold within a 12 month period to allow for multiple assistance applications where multiple organizations share a single leasehold;
- Increase the number of members on the selection panel, whose purpose is to determine the eligibility for funding of an applicant organization, from three to five; (see Comment No. 6)
- Require only a majority vote of the selection panel to award grant funds, rather than the current requirement that the selection panel reach a unanimous decision;
- Require only quarterly reports to the Art Commission and the Board of Supervisors instead of monthly reports;
- Make technical corrections so that the language is consistent and accurate. Such changes include replacing the term "rent assistance" with the new term "financial assistance" in order to include the proposed relocation cost assistance, capital improvement funds and real property acquisition funds as well as rent assistance.

Budget: Attachment I, provided by the California Lawyers for the Arts, identifies an administrative budget of $58,565 originally approved to administer the proposed program for the period from approximately November 1, 2000 through June 30, 2001. According to California Lawyers for the Arts, the $58,565 originally budgeted for administrative expenses will be sufficient through December 31, 2001. The total of

$58,565 for administrative expenses represents approximately 3.9 percent of the total supplemental appropriation of $1,500,000. The $1,441,435 balance of the funds would be used to award direct grants for rent subsidies to qualifying nonprofit arts organizations. Ms. Alma Robinson of California Lawyers for the Arts advises that from February 2001 through June 30, 2001 California Lawyers for the Arts has spent $44,360.25 on administrative costs and has awarded $391,471 in rental assistance grants to 12 nonprofit arts organizations (see Comment 2) for an average grant award of $32,622.58.

Comments:

1. Mr. Richard Newirth of the Art Commission advises that, based on the agreement between California Lawyers for the Arts and the City, California Lawyers for the Arts received $750,000 for the subject program in February of 2001 and would receive the remaining $750,000 of the $1,500,000 supplemental appropriation previously approved by the Board of Supervisors (File 00-1810), after the first $750,000 has been expended. The remaining $750,000 has been carried forward in the Art Commission FY 2001-2002 budget. According to Ms. Sally Woelfel of the California Lawyers for the Arts, the $750,000 in grant funds received in February 2001 from the City have been kept in an interest bearing money market account, which has earned $10,191.10 in interest to date. Ms. Woelfel advises that the interest earned will be used toward grant awards.

2. Ms. Robinson advises that the California Lawyers for the Arts would continue to administer the subject grant program until all grant funds are expended, which Ms. Robinson anticipates would be by December 31, 2001. As previously stated, Ms. Robinson advises that the current administrative budget of $58,565 is sufficient for the remainder of the program if it ends December 31, 2001 as anticipated.

As noted above, $391,471 has been awarded in grant subsidies to 12 nonprofit arts organizations through June 30, 2001. Ms. Robinson advises that 22 applications have been processed since February 2001, of which 12 grants were funded, 8 grant applications were rejected, one grant application was withdrawn and one grant application is currently pending. Attachment II, provided by California Lawyers for the Arts, contains a list of grant recipients to date, including the amount of rental assistance granted to each qualified nonprofit organization. According to Ms. Robinson, there are currently 20 prospective grant recipients that could be awarded grant monies if the subject ordinance is approved.

3. Currently, the one-time emergency funding for rental assistance is only for rental assistance for eligible nonprofit arts organizations that are in immediate danger of eviction or displacement due to recent or upcoming rent increases of 100 percent or more over the previous year's rent. The proposed revised ordinance would (1) consider rent increases of 25 percent or more significant, rather than the current requirement of rent increases of at least 100 percent; and, (2) consider a rent increase recent if it occurred on or after January 1, 1999. Under the current ordinance the term "recent" was not clearly defined, therefore the proposed ordinance would define "recent" as occurring on or after January 1, 1999. The proposed ordinance would also include subsidies for relocation costs, capital improvement costs and real property acquisition costs within San Francisco for expenses incurred on or after January 1, 1999. The proposed ordinance also requires that monies spent on capital improvements and real property acquisition costs must directly benefit the nonprofit organization. Additionally, the proposed ordinance provides that a nonprofit organization may not receive more than $80,000 in funds for relocation costs, capital improvement costs and real property acquisition costs.

Ms. Woelfel advises that under the current ordinance very few organizations were able to meet the strict guidelines on rent increases of 100 percent or more and it was unclear what date should be used to consider such a rent increase as "recent." Therefore, Ms. Woelfel advises, the proposed changes not only meet the needs of nonprofit arts organizations but also clarify the guidelines for rental assistance.

4. Currently, in order to be eligible for subsidies, a nonprofit art organization's primary purpose must be to support, create or perform an arts-related function in one or more of the following six disciplines: (1) visual arts; (2) dance; (3) theater; (4) music; (5) literary arts; or, (6) new genre/multimedia. The proposed revised ordinance would add the following two eligible disciplines: (1) art school/art education; and, (2) arts/social services. Ms. Woelfel advises the proposed ordinance adds these disciplines to the list of eligible arts organizations in order to provide for a more inclusive selection of arts organizations.

5. Currently, only one grant may be awarded per leasehold within a 12-month period. According to Ms. Robinson, during the first few months of operation of the current ordinance, it was determined that at times multiple organizations share use of a single leasehold, furthermore. Ms Robinson further advises that the current ordinance encouraged leaseholding arrangements. However, given the restriction in the current ordinance, only one organization could be granted rental assistance even if more than one organization might need rental assistance. The proposed revised ordinance would eliminate that restriction, allowing multiple rental assistance applications for a single leasehold.

6. Currently, the grant selection panel is made up of three members: (1) one staff representative of the Art Commission chosen by the Director of Cultural Affairs; (2) one staff representative of the Grants for the Arts chosen by the Director of the Grants for the Arts; (3) one community representative, mutually selected by the Director of Cultural Affairs and the Director of Grants for the Arts. The proposed ordinance calls for a five-member panel made up of: (1) one staff representative of the Art Commission chosen by the Director of Cultural Affairs; (2) one staff representative of the Grants for the Arts chosen by the Director of the Grants for the Arts; (3) one community representative, mutually selected by the Director of Cultural Affairs and the Director of Grants for the Arts; (4) the Director of the California Lawyers for the Arts or a staff designee; and, (5) either a panelist in

the discipline other than that of the applicant or a real estate agent or a nonprofit specialist mutually selected by the Director of Cultural Affairs and the Director of Grants for the Arts. No panel member may have a financial interest in an applicant. Additionally, instead of requiring unanimous agreement to award grant monies, the proposed ordinance would require only a majority vote to award grant monies. Ms. Robinson advises that there will be no financial impact by adding the two additional panelists and the proposed five-member panel would allow for more public input in the grant approval process. Attachment III, provided by California Lawyers for the Arts, explains why the proposed revised ordinance provides for the addition of two members to the selection panel.

7. The proposed ordinance would require that California Lawyers for the Arts present quarterly progress reports to the Art Commission and the Board of Supervisors instead of monthly progress reports. According to Ms. Robinson, California Lawyers for the Arts has not provided the Art Commission with monthly progress reports because the quarterly reports were more comprehensive and efficient.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

Preliminary Budget:

Program Director	$16,000
Program Associate	12,365
Administrative Ass't (temp)	10,000
Supplies	1,000
Printing	500
Postage	700
Telecommunications	1,000
Organizational Overhead	15,000
Honoraria for panelists	2,000
	$58,565

Source: California Lawyers for the Arts

Attachment II

ArtHouse Report on the Emergency Rent Subsidy Program

July 13, 2001

Summary:

Since the program was initiated:

- 22 applications have been processed
- 12 were funded:
    - Aunt Lute Books $37,800
    - Cartoon Art Museum $72,000
    - Dance Brigade $72,000
    - Iconoclast Productions $12,000
    - Jon Sims Center $46,500
    - Midsummer Mozart $5,400
    - Music in Schools Today $8,925
    - Pocket Opera $21,600
    - Poets & Writers $7,102
    - S.F. Gay Men's Chorus $26,400
    - S.F. Shakespeare Festival $39,174
    - Z Space Studios $42,570

- 8 were rejected, either at the panel or screening level
- 1 was withdrawn
- 1 is pending
- Total funds granted: $391,471.00
- Average grant: $32,622.58

* Funds remaining to be allocated: $1,064,168.80. We estimate that the funds remaining could be granted by Dec. 31, 2001 if the eligibility requirements were modified.

Staff has received a surge in phone inquiries from organizations anticipating revisions to the eligibility requirements.

In addition, an updated web server has enabled us to monitor the number of visitors to the web pages which feature the Emergency Rent Subsidy Program. For a period of 20 days in June/July, 73 visitors read the eligibility requirements and 15 downloaded the application.

Staff also commenced interviews for a new Financial Analyst.

Sally Woelfel, Program Director

ArtHouse

Source: California Lawyers for the Arts

Attachment III

California
Lawyers for the
Arts

TO: Budget Analyst
From: Sally Woelfel
Date: July 17, 2001
RE: Further Amendments to Emergency Rent Legislation

You have asked for the reasoning behind the amendment revising the structure of the panel to five members.

1. This will provide a fairer panel review sructure: more voices, more opinions, more cumulative knowledge of the San Francisco arts scene.

2. The addition of Alma Robinson from California Lawyers for the Arts will provide a generalist who is also an attorney.

3. The addition of a real estate professional will provide a very useful expertise to an arts-oriented panel making judgements on real estate matters. This individual could advise on such issues as property acquisition costs, the current rental market, and the feasability of capital improvement costs requested.

A Non Profit
Organization Serving
the Arts

Fort Mason Center
Building C, Room 255
San Francisco, CA 94123
Tel. 415 775-7200
Fax. 415 775-1143

42412

HOUCHEN
BINDERY LTD
UTICA/OMAHA NE.
2004